

# The NATIONAL UNDERWRITER

## A LONG FIGHT— Shall it be a losing one?

The National Board of Fire Underwriters has carried on a long fight to lower the number of preventable fires in American homes; to lessen the number of deaths in home fires. (25% of all fire fatalities are children under 5 years.) They have sponsored an extensive educational program through magazines, radio, newspapers, posters, club lectures, and general instructive literature such as "42 Ways To Prevent Fires". They have stressed the use of fire extinguishers and many safety measures in the home.

They have advised: frequent cleaning of flues; examination of chimneys for defects; proper placing and testing of cooking and heating units; safe storage of kerosene and ashes; care in dry-cleaning jobs; generous use of ash trays; caution with outdoor rubbish fires; keeping matches away from young children; no homemade repairs on electric wiring or fixtures; use of electrical equipment approved by Underwriters Laboratories.

*In spite of all this, the loss record in 1944 was the highest in years. Let us all do more this year to impress on the public the need of greater safety measures, that this huge economic waste may be lessened.*



**CRUM & FORSTER**  
MANAGERS



110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.  
The North River Insurance Co.  
Westchester Fire Insurance Co.

Organized 1824  
Organized 1822  
Organized 1837  
Organized 1868

The Allemannia Fire Insurance Co. of Pittsburgh

Richmond Insurance Co.  
Western Assurance Co., U. S. Branch  
British America Assurance Co., U. S. Branch  
Southern Fire Insurance Co., Durham, N. C.

Organized 1836  
Incorporated 1851  
Incorporated 1833  
Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

THURSDAY, FEBRUARY 15, 1945



# Let's make it **MARINE** protection!

Even if you *are* located inland, you can make Marine Insurance one of the sources of new premiums in your planning for post-war production.

Any business engaged in shipping or importing is a prospect for Marine coverage.

If there are lakes or rivers near you — Marine Insurance is needed on boats of every description.

Yes! Write to the nearest branch of the Marine Office of America today for full information — and let us help you make Marine Insurance one of your sources of premium income!

- HEAD OFFICE AND  
EASTERN DEPARTMENT  
116 John Street, New York 7, New York
- 
- WESTERN DEPARTMENT  
Insurance Exchange Bldg., Chicago 4, Ill.
- 
- SOUTHERN DEPARTMENT  
Canal Building, New Orleans 12, La.
- 
- PACIFIC DEPARTMENT  
340 Pine Street, San Francisco 4, Cal.
- 
- NORTHWESTERN DEPARTMENT  
Coleman Building, Seattle 4, Wash.



## **MARINE OFFICE of AMERICA**

116 JOHN STREET

NEW YORK

ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE



February 15, 1945

Reprinted in part from the  
editorial pages of the Insurance Monitor 1871

*"I know of  
no way of judging  
of the future but  
by the past"*

PATRICK HENRY

## THE HOME INSURANCE COMPANY

The world-wide success of the HOME has been no accident. There have been certain central figures in its management—certain central ideas in its progression that have been ABIDING. The distinguished gentleman who is now its chief executive officer was one of its original promoters and officers, and, from the first hour to the present, has never for a moment ceased his vigilant watch and efficient work. An allusion to one of the official corps is, essentially, an allusion to all; unity of purpose with diversity of gifts is its vital composition; and, with a tenacity of will and an intelligence of application that have seldom been equaled in any enterprise, these gentlemen have "pulled together" for the accomplishment of their worthy design, and they have succeeded—of course.

One of the noticeable characteristics of the HOME has always been a broad and liberal recognition of the general good of the business.

It has always been a maxim of the HOME that no man was too good to be its agent. The best obtainable representative is the one it *must* have at each agency, and an adherence to this rule has massed an army of influence, intelligence and efficiency in its ranks. The agents of the HOME know how it is themselves!

Watchful at all points to secure the good and avoid the bad, the future must be the counterpart of the past, and the HOME continue, as it has heretofore been, the chosen custodian of the great trusts, and the rightful heir to the nation's confidence.

★ THE HOME ★  
*Insurance Company*  
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE



A powerful cultural and educational force for building America was set in motion when Benjamin Franklin established the country's first public library in Philadelphia, in 1731.

There are now 6,880 public libraries in the United States, with over 114 million volumes and a yearly circulation of nearly 450 million books. These institutions supplement the work of our schools and colleges and they contain such a variety of books as to satisfy the desires of all levels of our literate population. It augurs well for the future of America that home use of public library books has doubled in the past sixteen years.

Annual expenditure on public libraries (mostly through local taxation) is \$55,000,000. In small population centers, however, some 35 million people are without public library service. The American Library Association, in conjunction with state planning committees, hopes to correct that condition and there is reason to believe that a greatly extended system of public libraries will be one feature of a well-ordered post war world.



## PROTECTING AMERICA

Carlyle wrote: "All that mankind has done, thought, gained, or been is lying as in magic preservation in the pages of books." These records, and the buildings and equipment to make them available, may be safeguarded by one of mankind's achievements—insurance protection backed by loss-prevention engineering service. In addition to offering complete underwriting facilities, the Royal-Liverpool Group has developed a unique worksheet to assist libraries in determining the insurable value of library contents and equipment. Full particulars on request.

You can help the war effort by making some of your unused books available to men and women in the Armed Forces.



# ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • SEAR INSURANCE COMPANY OF AMERICA

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## House Passes Walter Bill by Vote of 315-57

### Walter Report States Congress Doesn't Want to Force Uniform Rates

Washington—The Walter bill passed the House Wednesday 315 to 57.

(Other news on Wednesday's action on page 13.)

WASHINGTON—The effort to obtain unanimous consent for House consideration of the insurance bill last Friday failed, owing to objections by Reps. Anderson, New Mexico, Celler, New York, and others. Earlier information was that while Speaker Rayburn had agreed to recognize Rep. Walter, Pennsylvania, to submit the request for unanimous consent, objection was expected. It came promptly. However, Walter said he planned to get the bill up for House consideration this week on a call of committees.

Anderson, reserving the right to object to the unanimous consent request, said he recognized the importance of prompt action on a bill of some type. He said it was his understanding after consulting with the judiciary committee, that there would be only minor amendments made to the Senate bill; it was his understanding that the bill to be reported would be the compromise agreed upon by industry representatives; instead it was the subcommittee bill.

Walter replied that the bill submitted by his committee is, in effect, that agreed upon by representatives of the companies and the commissioners; that the Senate bill was not in accordance with that agreement because in section 2(b) a floor amendment was adopted providing that the federal anti-trust acts shall impair, invalidate and supersede state insurance laws.

Celler said he had been in touch with the Attorney General; that the House bill does not conform to the agreement and that it is not satisfactory to a number of Senators. He objected to the Walter request.

Anderson appeared in the House lobby soon afterwards and stated:

"The president of the Life Insurance Institute got me out of bed this morning and said: 'Please, Mr. Anderson, get that Senate bill substituted for the House committee bill. Please don't let them pass that House committee bill.'"

"Nobody wants this bill but the fire people," Anderson continued. "There are lots of other insurance interests in this, and they want the Senate bill."

"Mr. Lincoln, president of Metropolitan Life, said: 'Please don't let them pass this House committee bill.'"

In reporting HR 1973 as substitute for S.340, the House judiciary committee made only a single amendment in the text of the former. That was to insert the figure "1" after "January" and before "1948" at the beginning of section 4(a), providing for the anti-trust moratorium. It now reads: "Until Jan. 1, 1948," and so on.

In submitting the House judiciary committee's recommendation of the bill to the House, Walter adopted virtually all of Senator McCarran's report from the Senate judiciary committee on S.340.

(CONTINUED ON PAGE 32)

## F. U. A. P. Program Is Announced

### Two Prominent Outside Speakers Scheduled for March 7-8 Parley

SAN FRANCISCO—Dr. Henry F. Grady, president American President Lines, head of the San Francisco Chamber of Commerce and chairman of the Federal Reserve Bank in San Francisco, will speak at the annual meeting of the Fire Underwriters Association of the Pacific here March 7-8. Dr. Donald B. Tresidder, president Leland Stanford, Jr., University, will discuss "Education—Possibilities of Expansion of Coast Facilities," in which he will touch on possible developments in the insurance business along these lines. He will be followed by Rex Nicholson, managing director of "Builders of the West," a new organization developing post-war projects.

Speakers on the second day are: Neal Harris, president California Association of Insurance Agents; R. C. Stevenson, manager Idaho Surveying & Rating Bureau; R. H. Griffith, vice-president Glens Falls group, and George L. Vargas, National Board attorney. The highlights of the meeting will be reviewed by R. C. Gillette, Sweet & Crawford, and A. H. Bonstin, New York Underwriters.

The principal banquet speaker is Robert Lapham, San Francisco mayor.

President H. F. Badger will make his report at the opening session.

## G. P. Williams in General Agency

George P. Williams has joined the Nathan L. Fairbairn general agency of San Francisco as manager in charge of fire, automobile and inland marine. Mr. Williams resigned recently as Pacific Coast manager of Boston, National Union and Providence Washington.

Head of the general agency is Nathan L. Fairbairn who is also president of California Compensation Insurance Co. The general agency has taken on the representation of several board fire companies.

## Postpone Conn. Tax Deadline One Month

HARTFORD—The Connecticut assembly has passed a bill which postpones for a month the deadline before which out-of-state insurance companies are required to pay taxes. This will permit the drafting of new legislation in line with the U. S. Supreme Court decision. Under the present state law, out-of-state companies are taxed on a reciprocal rate basis, and in a few cases where other states have the same type of statute, neither state taxes the other's companies.

Senator Spellman, a sponsor of the bill, said a fixed tax rate on out-of-state companies must now be imposed to prevent "unconstitutional discrimination," and the rate, he said, will be about the same in effect in most states now.

### \$150,000 Iowa Mercantile Fire

The three-story brick building at Perry, Ia., housing the J. J. Newberry variety store, F. W. Woolworth store, a barber shop and 10 offices on the second floor and 20 apartments on the third floor, was destroyed by fire. The building was owned by the W. C. Harbach estate of Des Moines. Total loss to insurers was estimated at \$150,000. The fire started from waste paper in the basement.

## Lelli Secretary; McGurkin, Ashmead, Cone Are Advanced

HARTFORD—Election of a new secretary and three assistant secretaries by the directors of Phoenix of Hartford is announced.

Named secretary is Urban M. Lelli who has been general agent at Chicago in charge of the inland marine and business development departments. He joined Phoenix in 1910 as a clerk at St. Louis. Before and after service in the former war, he was a special agent in the Dakotas, Missouri and Illinois. From 1922-1929 he supervised the Missouri field as state agent. In 1929 he was appointed to his present position. He will retain headquarters in Chicago. This is the first Phoenix officer ever to be located there.

The assistant secretaries are Frank E. Cone, John C. McGurkin, and John Ashmead. Mr. Cone joined Phoenix in 1900 as clerk in the underwriting department. He was appointed examiner of the southern states in 1912 and later was given supervision of the middle Atlantic states. In 1939 he was named agency supervisor.

Mr. McGurkin joined the company in 1916 as a clerk in the underwriting department. He was appointed examiner for the middle west in 1919, and in 1930 was transferred to Seattle as underwriter of United Pacific Fire. He returned to the Phoenix home office in 1931, and in 1939 was appointed agency supervisor.

Mr. Ashmead from 1912 to 1917 was assistant electrical engineer in the New York fire department. For the next 10 years he was an engineer with the National Board. After serving in the war in the army construction division, he joined Phoenix as conflagration engineer in 1927, and in 1941 became general agent.

### Wagner Resident Secretary

Ernest F. Wagner has been named as resident secretary of the Pacific department. He joined Connecticut Fire in 1917 as a clerk in the claims department, and was transferred to the underwriting department at the Phoenix home office in 1925. In 1934 he was appointed special agent for Connecticut Fire in eastern Pennsylvania and in 1941, he was appointed assistant manager of the Pacific department.

## Cite Fire Insurers in Va. on Life Company Deal

RICHMOND—On petition of Commissioner Bowles the Virginia state corporation commission entered an order this week citing Pearl and Eureka Security F. & M., together with Ottis W. Kelley, general agent for Pearl in Washington, and W. R. Kelley, agent for the same company at Arlington, Va., to show cause why their licenses to do business in Virginia should not be revoked. A hearing is set for March 7. It is alleged respondents violated the insurance laws of Virginia by renewing binders covering risks on real estate developments for periods longer than 30 days. The binders applied to loans held by Shenandoah Life of Roanoke on building projects of Homes Engineering Corp. of Arlington, the alleged unlawful practices, according to the petition, took place during 1943 and 1944.

## Commissioners at St. Louis Explore Rating Laws, Taxes

### Commend Casualty Groups; Speak Harsh Words About Stock Fire

### By LEVERING CARTWRIGHT

The insurance commissioners executive committee during the open session at its St. Louis meeting that was devoted to consideration of state rating laws, fastened a halo upon the casualty companies, stock and mutual, but John-son of Minnesota, the president, and Harrington of Massachusetts sought to put the stock fire companies in the dog house. Tempers were hot when the mat-



William Leslie



E. L. Schenker

ter of stock fire company cooperation in developing acceptable state rate regulation was under discussion and there were some sharp exchanges. Aside from that flareup, the discussions were temperate, earnest and lengthy.

One entire open session was concerned with state rate regulation in the light of the S.E.U.A. decision and prospective federal legislation. There was another open session on state premium taxes at which was developed a great deal of information, and profound legal ideas but it appears that the more exhaustive the discussion of the matter of state premium taxes the more difficult is the reaching of a conclusion.

Persuasive arguments were adduced for one course of action and then equally convincing arguments were advanced for an opposite procedure.

### Question of Hobbs' Successor

The matter of selecting a successor to the late C. W. Hobbs as special representative of the insurance commissioners' association on the National Council on Compensation Insurance came up at one of the closed sessions and the decision was to appoint a subcommittee of the executive committee to report back at a future meeting. H. F. Richardson, secretary-treasurer of the National Council, attended the St. Louis meeting.

About 25 commissioners and department staff men were on hand including all members of the executive committee except O. P. Lockhart, who had been replaced as Texas life insurance commissioner just prior to the meeting by Attorney George B. Butler of Austin, and J. Herbert Graves, who was recently replaced as Arkansas commissioner by Jack G. McKenzie. The latter was on hand and was given a welcome. Commissioner Pearson of Indiana, a new appointee, was not present but he was represented by Capt. H. E. Wells, newly

(CONTINUED ON PAGE 34)

## Iowa Rating Bureau Bill Introduced

Marine, Reinsurance and Assessment Carriers Exempted

DES MOINES—A bill creating rating bureaus in Iowa under the supervision of the insurance commissioner has been introduced in the senate as an insurance committee bill.

Mutual assessment associations writing hail or tornado exclusively, or those confining their risks to churches, school houses, town dwellings, farm buildings and personal property are exempted. The bill also exempts ocean marine, insurance covering property of interstate common carriers, inland marine and companies doing a reinsurance business only.

Except for those exempted, a company or association shall become a member of a rating bureau or adopt as its basis the ratings of a state bureau. No insurer shall apply the rates of more than one rating bureau for the purpose of rating risks of like kind and hazard within the state.

### Available to All

A rating bureau's services would be available to any insurer desiring to adopt any or all its rates without discrimination as to cost.

The expense of each rating bureau would be shared in proportion to the gross premiums of members during the preceding year on rated risks. Every rating bureau would be required to maintain an office within the state.

Each company would be required on or before July 4, to report to the insurance department the name and address of the rating bureau making its rates.

The insurance commissioner could require the filing of schedules, rates, forms, rules and other information from any of the rating bureaus. The commissioner would also have the power to examine any of the rating bureaus as often as he deemed it expedient to do so and at least once every five years.

The bill contains a discrimination section which states that no company or association and rating bureau shall fix or charge any rate for such insurance which discriminates unfairly between risks of essentially the same hazards and having substantially the same degree of protection against the hazards covered by the insurance. Each company or association would also be required to file with the department and bureau a schedule showing any variation at least 15 days before such variation is used.

### Must Inspect Every Risk

Ratings would be required to be based upon inspection records and each bureau would be required to inspect every risk specifically rated by it and make a written survey of the risk. The bureaus also would be required to specify all flat or classification rates for farm, automobile or town dwelling properties, or

## Toole Suggests Retaining Cover on Outbuildings

NEW YORK—Under the revised dwelling and contents form now being used in some states, it might not always be well to do away with existing insurance on outbuildings at renewal even though the new form would cover automatically up to 10% of the amount carried on the main dwellings, C. S. Toole, assistant metropolitan manager of Travelers Fire, told the Brooklyn Insurance Brokers Association. The insured and his adviser should not overlook the fact there might be a total loss to one or more outbuildings caused by windstorm and covered under the extended coverage endorsement, where the combined value might exceed the 10% of the amount insured under the dwelling item. The form has not yet been approved in New York, but Mr. Toole stated that for the sake of uniformity, he hoped such approval would come soon.

### Personal Property Losses

While discussing the form and answering questions, he was asked whether losses of personal property in a laundry or dry cleaning establishment under the 10% off premises coverage would necessitate suing the bailee or establishing the fact he had no insurance before collecting. He said the form had been referred to as primary insurance with regard to off the premises cover and all protective clauses had been eliminated. If there were other insurance, any excess or other insuring clause contained in such contract would relieve that policy of liability and the loss would be paid, not exceeding the applicable limits.

The premium for unearned premium insurance should be figured on the full amount of the policy because only those losses not exceeding \$250 will not reduce the amount of the policy.

### May Remove Commission-only Ban

A bill is being considered in Indiana which would repeal the present law that limits local representation of insurance companies to those that are paid on a commission basis.

other property not specifically rated.

Each insurer would be required to file annually with the rating bureau a statistical report showing a classification schedule of its premiums and losses, with the commissioner of insurance to prescribe the form for the report.

The commissioner would have the power to review rates upon written complaint to the purpose of determining whether the rates are discriminatory or unjust. He would have the power to order the discrimination removed or to fix and order a substituted rate.

No insurer would be allowed to give, directly or indirectly, any rebate, discount, or reduction of the premium paid or payable under the terms of the policy.

## N. J. Actuary Joins Life Company Organization

Alfred N. Guertin, who has been actuary of the New Jersey department



A. N. Guertin

since 1932, has been appointed actuary of the American Life Convention at Chicago and will enter upon his new duties March 16. He went with Connecticut Mutual Life in 1922 after graduating from Trinity College and in 1929 became chief assistant actuary in New Jersey. He is an associate of the Casualty Actuarial Society and has been a member of the blanks committee of the National Association of Insurance Commissioners since 1933. He has assisted in the work of the commissioners' committee on valuation of securities since 1933 and has been closely identified with the development of "convention values" and the fixing of standards for amortization of bonds.

Deputy Commissioner C. A. Gough of New Jersey, in answer to an inquiry, states that W. Harold Bittel will be appointed actuary of the department. Mr. Bittel is Mr. Guertin's assistant.

## D. W. Clark F.C.A.B. Auto Supervisor in East

Donald W. Clark, since 1942 a staff adjuster for Fire Companies' Adjustment Bureau at Baltimore, has been advanced to supervisor of the automobile department in the eastern department office at New York. The duties which he will take over were formerly handled by General Adjuster B. L. Jones, who recently left the bureau to become an independent adjuster at Buffalo.

Mr. Clark has been with the bureau about 17 years. He started at Scranton, Pa., and was later transferred to Pittsburgh as automobile adjuster. For several years he was superintendent of the automobile adjusting department at Pittsburgh. In 1940 he left to go with Service Fire as superintendent of claims at the home office. He returned to the bureau in 1942. He is widely recognized as an authority in the automobile adjustment field.

## N. Y. Passes Bill to Shield Tax Payments

Both houses of the New York legislature have passed the Mahoney bill, which provides that no officer, director, or trustee of an insurance company shall be personally liable for paying or deciding not to contest payment of any state tax or levy by any other political subdivision where the power to impose a tax is in question under the commerce clause of the federal constitution. No trouble is expected in getting the bill signed by Governor Dewey. The bill is not as clear-cut as some that have been proposed in other states but is believed to be fully adequate for the purpose.

## \$1 Million Truck Freight Depot Loss at Billings, Mont.

BILLINGS, MONT.—Fire of undetermined origin swept through the Consolidated Freightways building here Feb. 11. About 4:50 a.m. the building, a frame and stucco structure covering a quarter of a block, was destroyed as were its contents, including office equipment, stored merchandise, 10 Diesel road trucks, four pickups and two tractors.

The Billings branch of Consolidated Freightways estimates their loss will run close to \$1 million. It is estimated there were 150,000 pounds of merchandise loaded on trucks in the building. Included in the loss were critical materials waiting delivery to Billings war plants, the Pacific Car & Foundry Company and the Billings Pointer-Willamette assembly plant.

Other merchandise destroyed was furniture, clothing, canned foods, ammunition, oil, washing machines, silverware, machine tools and tires. The blaze started in the rear of the building and was spread rapidly by exploding fuel barrels and truck gas tanks in the structure.

The head office of the Consolidated Freightways is in Portland, Ore., with branches located at points from Chicago to the west coast.

### Records Are Destroyed

The only insurance written locally was on building with \$16,000 in Columbia Fire. Value of buildings was approximately \$20,000. The furniture, fixtures and equipment policy was written in Portland. It is a monthly reporting form with limit of liability at any one location of \$70,000. All records of the local office were destroyed and no information is available locally as to amount of equipment on hand. This insurance was written in the State of Pennsylvania, through Seeley & Co., Seattle.

Actual value fire coverage was written by Truck Insurance Exchange on trucks. Cargo coverage also was written by Truck Insurance Exchange and was placed in Portland. Loss on trucks is estimated at \$110,000.

The value of cargo destroyed is unknown as all records were destroyed but the loss will be considerable.

The loss is being handled by W. L. Quirk of Fire Companies Adjustment Bureau, Staff Adjuster Jack Hunt of the Truck Insurance Exchange, Portland, and C. H. Hayes of Billings, independent adjuster.

## C.P.C.U. Incentive Fund Offers Six \$100 Prizes

The C.P.C.U. incentive fund, authorized last fall by the trustees of the American Institute for Property & Liability Underwriters, has now been made effective, according to a report from Harry J. Loman, dean of the institute, Philadelphia.

Contributions to the fund from American Mutual Alliance, Association of Casualty & Surety Executives, James S. Kemper, National Board, John A. North and L. G. Purmort have permitted the executive committee of the institute to offer a prize of \$100 in war bonds to each of the three persons with the highest grades on the 1945 part 1 examination, and prizes of the same size to three persons with the highest grades on the 1945 part 2 examinations. In addition a limited number of duplicate copies of 11 books have been purchased and may be borrowed from the institute for a period of two months without charge by persons located where books otherwise are not available, who have filed application for permission to take the C.P.C.U. examinations.

The incentive fund was set up to grant prizes, scholarships, provide books, and for other purposes which the executive committee shall determine from time to time.

## FIRE COMPANY EXPERIENCE IN 1944 BY LINES

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler Leakage		Riot & Explosion		Motor Vehicle	
	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses	Premis.	Paid Losses
Aetna Fire .....	17,196,783	8,373,550	1,954,996	805,478	697,152	429,655	87,337	26,200	330,434	37,044	2,807,856	1,511,779
Amer. Druggists ..	433,625	195,992	16,893	11,186	.....	.....	.....	.....	.....	.....	.....	.....
Eagle Star .....	368,101	831,729	67,883	106,265	14,479	30,758	562	1,206	12,742	1,992	69,766	101,113
Equitable Fire ..	205,400	100,355	36,003	7,631	5,272	2,826	228	.....	472	.....	286	.....
Export .....	32,831	15,759	3,726	1,487	5,419	242	70	.....	18	.....	.....	.....
First Kentucky Fire	11,692	2,855	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Firat National ..	831,048	280,315	239,343	112,216	11,646	23,978	1,127	.....	865	3	132,496	76,038
General, Wash. ....	8,902,902	3,697,923	1,539,771	646,727	169,012	101,925	33,841	13,364	49,056	418	2,293,706	1,154,417
Imperial, D. C. ....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37,291	19,376
Northeastern .....	1,926,195	1,116,142	226,846	66,030	52,035	28,085	9,941	1,194	23,197	3,554	43,064	35,635
Piedmont Fire .....	1,249,482	389,898	174,003	47,866	31,324	19,675	5,736	280	10,447	202	500,796	383,330
Resolute Fire .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	486,132	265,759
Secur. Natl. Fire, Tex.	390,449	118,606	138,830	54,687	8,977	46,901	20	.....	3,238	797	140,616	54,423
Standard, N. Y. ....	2,463,169	995,355	370,906	183,861	34,958	46,057	27,748	1,390	75,770	369	810,997	529,856
Tennessee* .....	57,559	.....	5,965	.....	2,554	.....	301	.....	7	.....	.....	.....
Trinity Universal ..	991,420	386,182	430,281	135,543	38,594	55,467	.....	.....	.....	.....	3,187,901	1,423,068
World F. & M. ....	1,356,634	525,567	138,781	109,555	30,444	18,276	7,089	2,428	10,140	244	338,160	218,624

\*Reinsured.



# Four Officers Are Advanced by Agricultural

**Waite Chairman, Dickey Vice-Chairman, Tomlinson President**

Agricultural and Empire State at the annual meeting of the parent company in Watertown, N. Y., elected Harvey R. Waite, president since 1928, chairman and Ervin J. Dickey, executive vice-president since 1942, vice-chairman of the board. These offices have not been



H. R. Waite



E. J. Dickey

filled for several years. Harold W. Tomlinson was elected president and Robert G. Horr treasurer.

Mr. Waite, born in Jefferson county, N. Y., joined Agricultural as an office boy in 1894. He was made chief accountant in 1907, cashier in 1915, treasurer in 1919. He became secretary-treasurer and a director in 1924 and was elected president in 1928, succeeding



H. W. Tomlinson



R. G. Horr

Percy H. Willmott. Last summer he was honored by a testimonial dinner to celebrate his 50-year connection with the companies.

Mr. Dickey was born in Atlanta and spent his early years in the south. He joined Agricultural in 1915 as a special agent and served successively as state agent and then as general agent for Agricultural in Georgia, Florida, Alabama and Tennessee. In 1928 he went to Watertown and became vice-president and director of the companies. He was made executive vice-president in 1942. Mr. Dickey has had supervision of all operations for both companies in the entire southern territory.

## Tomlinson's Career

Mr. Tomlinson was born in Plainfield, N. J. After serving in France in the first World War, he was a public accountant in New York City with the firm of Bowers & Suffern. He joined Agricultural in 1920 as chief accountant, was named assistant treasurer in 1924 and treasurer in 1928. In 1940 he was elected a director and he became vice-president and treasurer in 1943. In addition to his insurance duties, Mr. Tomlinson has been active in civic affairs. He is a trustee and member of the executive committee of the Henry Keep Home and the Remington Insti-

# Flat 2% Tax Is Proposed in Iowa

**New York 1943 Fire Policy Bill Passes Senate**

DES MOINES—A bill to revise the Iowa insurance premium tax law has been drafted by the joint house and senate ways and means committee. It places a flat 2% premium tax on all companies operating in the state including county mutuals and non-profit hospital associations which now are exempt. The only companies to be exempt under the new proposal would be fraternal.

The bill was drafted by the attorney-general's office to prevent any constitutional shortcomings because of the recent U. S. Supreme Court decision.

At present a 2½% tax is levied on premiums of out-of-state companies and 1% on Iowa companies.

It was estimated the 2% would bring in a total of \$2,073,702 as figured on 1943 Iowa premiums as compared with actual tax collections of \$1,982,590 last year. Iowa life companies would pay \$177,953 as compared to \$15,669 collected while non-Iowa companies would pay \$965,324 as compared with \$1,206,655 collected.

County mutuals would pay \$57,964 on the basis of their 1943 premiums and hospital associations \$14,136.

## Standard Policy Bill Amended

The 1943 New York standard fire policy bill ran into trouble on the senate floor and was amended before passed by a vote of 46 to 0. The amendment, which struck out the words "whether collectible or not" in the section on pro-rata liability, was described by sponsors of the bill as destroying the uniformity of the measure. Authors of the amendment, however, claimed the bill as written would permit both companies to escape payment of a claim if one policy was invalidated.

Efforts will be made in the house to strike out the amendment and return the bill to the original form, but it was also reported as facing some opposition because the bill does not protect the policyholders as much as present Iowa law.

The senate also passed a bill which would permit the writing of liability insurance on airplanes. The bill was a corrective measure to include several sections of the code not now included.

tute and a director of the Watertown Community Chest.

Mr. Horr was born in Boston, and went to Watertown after his army service in France in World War I with the 101st Field Artillery of the 26th Division. Formerly an investment counselor, later an agent for Penn Mutual Life, Mr. Horr is now vice-president of the Brownville Board Company. He has been a director of Agricultural since 1935, and has been a member of its finance committee.

## Portland, Ore., Women Not Asked to Go Through USES

PORTLAND, ORE.—Women workers here are not subject to War Manpower Commission control, although Portland is a class 1 critical area. The

# 63-Year Veteran Now Honorary Chairman

Frank W. Sargeant, who is approaching his 85th birthday, has been named honorary chairman of the board of New Hampshire Fire. He has been chairman for the past six years and asked to be relieved of his responsibilities on the board. He has been with New Hampshire Fire 63 years. He served as president 33 years. He has retained a keen interest in investment matters.



F. W. Sargeant

# Seek 2% Tax in Wash. Measure

SEATTLE—A 2% premium tax on all classes of insurance is proposed in a Washington house bill introduced at the request of Commissioner Sullivan. It is expected to pass both houses. Foreign companies now pay a 2½% tax while domestic companies pay 1%.

Commissioner Sullivan introduced the bill after a number of conferences with representatives of domestic companies.

Washington had a uniform 2½% premium tax law until 1937 when the domestic companies were granted a reduction to 1%.

The senate has passed the bill instructing the insurance commissioner and attorney-general to recodify the insurance laws of the state for presentation to the 1947 legislature. Early passage by the house and final approval of Governor Wallgren are anticipated.

## Attorney Is New Life Commissioner in Texas

George B. Butler, an attorney, has been appointed life insurance commissioner by Governor Stevenson of Texas. Mr. Butler in recent years has lived in Dallas, but also has practiced law in Austin. At Dallas he is head of the state salvage drive.

He was a member of the legislature three terms and during one term was chairman of the insurance committee. Mr. Butler was reared in the home of an uncle, George Adams, veteran insurance agent of Bryan, Tex.

His appointment was confirmed by the senate and he was scheduled to take office early this week. He succeeds O. P. Lockhart. The life commissioner is chairman of the board of insurance commissioners.

local U.S. Employment Service head says no order requiring all hiring of women through USES has been received nor is any contemplated to his knowledge. He states usually such orders are issued but subject to the discretion of local USES authority based on local requirements, etc.

## THROUGH U.S.E.S. IN CHICAGO

All women workers except part timers are now required to go through U.S. Employment Service in the Chicago area, and USES is using considerable persuasion to channel all such workers into war industries.

# Motors Loses Case Where Stolen Tires Cut Value of Car

**Held Liable for Drop in Resale Value, Not Ceiling Cost of Tires**

OKLAHOMA CITY—The Oklahoma supreme court, in a case which may be an important precedent, held Motors liable for the full loss caused by an assured being unable to replace stolen tires and obtain other repairs to a stolen and recovered car. Rejecting the position of Motors that it was required only to pay the cost of the tires, other material and labor, the court awarded A. D. Dooms, the assured, the difference between the actual cash value of his car before the loss and what it could be sold for without tires and in an otherwise damaged condition.

The case came up on appeal from the common pleas court of Tulsa county. There was no dispute over the facts and the insurer and assured had stipulated that the liability of Motors would be \$187.64 if the company were sustained, and \$500 if the assured were upheld.

Dooms' car was stolen Aug. 31, 1942, and recovered a few days later with its five tires and wheels missing. Dooms was unable to secure new tires, and it was agreed that the car, a 1941 Pontiac, would bring very little at a forced sale without tires and wheels. Motors tendered \$187.64, the cost of tires, other materials and labor at OPA ceiling prices.

## Case Attracts Much Attention

In his opinion for the assured, Justice Davison took the position that the company under the policy had the option to restore the car to its condition before the loss or to reimburse the assured for the depreciation in the car's value due to the loss. Since it was legally impossible for the company to do the former or to enable the assured to do it, the opinion, with all justices concurring, held that the company must pay the full diminution in value.

This case has attracted attention throughout the country, as there is very little established law on the effect of price ceilings and wartime property restrictions on insurance contracts. In September, 1942, the people's court of Baltimore city, which is not a court of record, in Cunningham vs. National Guild, held the OPA price ceiling the limit of recovery in a loss of one tire, although the assured claimed he could not get as good a tire as the one stolen for this sum. The apparent difference between the two cases is that in the Cunningham case the assured could get a tire and hence his car was not made virtually worthless.

The Motors case is so far identified only as No. 31684, Oklahoma supreme court, though it will undoubtedly be published in the "Pacific Reporter."

# Fire Company 1944 Statement Figures in Tabloid

	Assets	Inc. In Assets	Reins. Res.	Inc. In Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. In Surplus	Net Prems.	Losses Paid	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Eagle Star	5,973,835	—824,337	267,954	—2,052,582	500,000	2,556,020	897,462	840,072	1,644,842	...
Equitable Fire, S. C.	1,427,047	32,429	268,990	—16,553	300,000	756,702	28,771	248,616	110,864	44.4
Export	1,306,755	—80,733	61,195	—5,533	500,000	465,279	10,887	257,273	66,859	25.9
First Kentucky Fire	265,618	19,799	.....	.....	.....	111,061	16,612	11,692	2,965	24.5
Imperial, D. C.	853,168	—13,170	2,562,985	254,981	100,000	212,764	14,786	37,291	19,376	47.1
Northeastern	6,923,742	220,728	.....	.....	1,500,000	1,005,344	43,812	3,137,074	1,898,425	60.5
Planet Fire <sup>1</sup>	2,500,813	.....	.....	.....	1,000,000	1,498,061	.....	.....	.....	.....
Security National Fire, Tex.	1,634,209	209,308	642,587	216,228	500,000	407,771	—92,685	699,228	192,697	26.1
Tennessee <sup>2</sup>	100,043	—101,391	.....	.....	52,000	36,094	1,983	.....	.....	.....
Trinity Universal	9,664,726	639,052	3,792,198	284,574	1,000,000	1,762,089	160,465	5,914,326	2,423,908	41.1

<sup>1</sup>Organized in 1944.

<sup>2</sup>All business reinsured.

## Report Analyzes Factors in Chicago Bowling Alley Fire

An interesting report on the fire which destroyed the Lawrence Bowl, bowling alley at 1816 West Lawrence avenue, Chicago, recently has been issued by the Cook County Inspection Bureau. Loss to the bowling alley was practically total.

Insurance on the building was \$55,000, plus rents coverage of \$8,000. The contents of the bowling alleys were insured for \$45,000 and there was \$60,000 improvements and betterments coverage. There was no use and occupancy.

### Details of Report

According to the bureau's report, the building was constructed in 1915 as an automobile garage, being converted in 1940 into a bowling establishment. It was a one story building with small basement, brick walls, composition roof on one inch boards on wood truss, and had a ground floor area of 30,000 square feet.

The roof trusses supported a suspended wire lath and plaster ceiling which formed a two to eight foot concealed space. Air conditioning ducts were installed in the concealed space with metal intake ducts extending through roof. Electric wiring was in conduit with good installation.

The bowling alleys had been closed to the public shortly after 1:00 a. m., and fire removed from the heating boiler in the basement so that the boiler could be repaired. Except for a stove in the pin boys' room the building was unheated. Shortly after 5:30 a. m., the porter discovered smoke coming from either the pin pits of alleys 1 and 2, or from the exhaust ducts at the ceiling near the air conditioning equipment in the southeast section of the building. The porter then proceeded to the pin boys' sleeping room at the north end of the building to arouse them.

### Spreads Through Concealed Space

The fire had spread through the concealed space in the attic over the main portion of building and directly into the unfinished portion at the rear of the building housing the service departments. This department was also operated for the maintenance of equipment for other bowling alleys owned and operated by the company. This portion of the building contained separate rooms used for the maintenance and storage of pins, storage of a considerable amount of finishing materials, such as shellac, lacquer and thinner in five-gallon cans and 50-gallon drums, laundry and storage of liquor.

The finishing materials were apparently not the direct cause of the fire. Two engine companies, located about five blocks distant responded to the first alarm. They entered the front of the building and proceeded with a hose line to the bowling alley section but were forced to withdraw because of intense heat and flame.

### Conclusions and Recommendations

A fire that originates or spreads into an extensive combustible concealed space can be effectively controlled or extinguished only by the installation of automatic sprinklers, the report concludes. In the event an automatic sprinkler equipment cannot be installed, some measure of protection could be afforded by means of an automatic fire alarm system, together with adequate vents. Subdividing large areas with bulkheads would also be desirable.

This is well illustrated by recent fires, wherein the concealed spaces above suspended ceilings of combustible construction, and the bowling rooms created extensive, unobstructed, combustible areas for the spread of fire. Regardless of how these fires start, construction of this type which is characteristic of so many bowling buildings, practically assures a rapid spreading fire which is almost impossible to control after it has passed the incipient stage.

Flammable materials used in the maintenance of alleys and equipment should be limited to as small an amount as possible, and materials stored should be kept in safety containers. Pine storage and pin refinishing (sanding and painting) should be confined to a separate detached building or a room properly cut off from main section and provided with proper heating and ventilating equipment. Recommendations of the National Board in the pamphlet, "The Fire Hazard of Bowling Alley Establishments" should be used as a guide.

### Correction as to Inter-Ocean

Inter-Ocean Reinsurance had an increase in surplus in 1944 of about \$112,000, not \$12,000, as reported in the Feb. 1, issue. Surplus at the year end was \$1,446,361 as against \$1,334,830 at the end of 1943.

## Ordering Compliance with 10% Manpower Reduction Directive in Chicago Area

The area director of the War Manpower Commission at Chicago now is sending out a directive ordering a 10% reduction in total employees by March 1, compared with March, 1944. Five per cent of the reduction is to be made by Feb. 15. This is in accordance with regional administrative order No. 45.

The area director's order states "it is necessary for all employers not now engaged in activities classified as essential to release a proportionate share of their employees for transfer to war jobs."

The current ceiling of the firm is given, together with the Feb. 15 ceiling that is called for and the March 1 ceiling. A table is set up to show total employees and male employees, since employees released should be all male if in the area director's opinion this is possible. The figures include all personnel in the organization scheduled for more than 30 hours a week.

"Because of the seriousness of the situation," the order states, "we cannot permit your normal turnover to bring your employment within your revised ceilings. Your employment is, therefore, expected to be at or below this figure on or before the dates shown above. A representative of this office will be glad to call at your request and assist you in selecting those workers most suitable for immediate transfer to war production."

A copy of administrative order No. 45 is attached. It sets out the authority for the order, which is based on various Presidential, War Labor Board and WMC executive orders. Order 45 states that unclassified businesses in group 1 or 2 (critical) are affected that have 10 or more employees.

The order states that employers will be considered in compliance with the program only when release of manpower meets these conditions: Workers released are all male if this is possible, workers are released in accordance with the procedures established by the area director, and employers furnish each worker released and the WMC a written statement guaranteeing to each worker who has accepted employment in critical war production his seniority and reemployment rights and all other privileges generally appertaining to the status of an employee.

Lester Brown, Chicago area WMC director, spoke on the 10% reduction at the Chicago Association of Commerce Wednesday. There was a big crowd. Brown said the program is intended to be national but the effective date and the severity of application depend on the needs of individual localities.

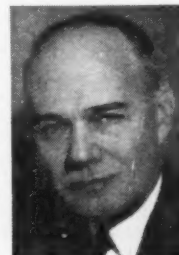
Two insurance questions were asked. What can the government do if an insurance office doesn't comply. A WMC attorney replied that War Production order No. 26 covers a lot of ground, including maintenance, repair and operation and it might be invoked. The question was asked, "What is the status of field men, inspectors, and the like who travel over several areas?" The man has to be rated in some area, was the reply. Without evidence to the contrary he will be considered as being in the area of the office to which he reports.

The WMC has no control over the person who quits to enter business for himself, it was brought out. The employer is not required to report separation of an employee, only his employment, if he is asked for it.

## Fraizer Is Reappointed Nebraska Director

Cecil C. Fraizer has been approved by the Nebraska legislature as director of

insurance for a third term of two years. The legislature also approved a bill increasing the salary of the insurance director from \$4,500 to \$5,500 a year. Mr. Fraizer has taken an active part in the affairs of the National Association of Insurance Commissioners and is chairman of the law and legislation committee of that organization.



C. C. Fraizer

## Tendency to Comprehensive Noted by Wessendorf

SAN ANTONIO—The tendency in insurance is toward more comprehensive coverage, Roy E. Wessendorf of Chicago, superintendent of agencies, Springfield western department, told the Insurance Women of San Antonio in a talk on the personal property floater. The day may come when the agent can deliver coverage all in one package.

When companies first began to write inland marine insurance there was no general agreement as to what inland marine insurance was and some years ago the inland marine definitions were formulated. There still exist, however, some differences as to writing this coverage in different states. Mr. Wessendorf questioned whether one man was qualified to interpret what inland marine insurance under the personal property floater policy may cover. The wording of the policy is the best interpretation of the coverage provided.

Mr. Wessendorf considers the personal property floater the best bargain offered in insurance in covering furs, paintings, and tapestries. He said an effective means of getting new business from newly married couples, is through the wedding presents floater.

The average family is a prospect for coverage on jewelry and silverware and usually is underinsured. These people have a sufficient amount of jewelry and silverware to make the business attractive and because they do not have an amount that causes them to leave their jewelry lying around provide an attractive type of risks because the loss ratio is quite small. Mr. Wessendorf suggested using the premium for 90 days where the annual rate confuses the prospect.

Charles T. Crockett of the E. I. Crockett & Co. agency, Pueblo, Colo., died after several months illness. He had been in the insurance business in the mountain field for many years. His father, E. I. Crockett, established the agency in 1881. It represented Boston, Old Colony, United States Fire, North River, Security and East & West as state agents in Colorado, Wyoming and New Mexico. E. I. Crockett died about a year ago.

If you sell disability insurance, don't be without **The A. & H. Bulletins**. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## Mutual Fire Companies' 1944 Figures

	Adm. Assets	Unearned Prems.	Net Surplus	Net Prems.	Net Losses Paid
Badger Mutual Fire.....	1,928,715	853,876	928,970	704,572	244,318
Iowa Hardware Mutual.....	537,585	223,893	264,753	335,751	129,837
Iowa Mutual Tornado.....	2,540,842	722,072	1,737,658	1,006,099	892,749
Kewaskum Mutual Fire, Wis.....	218,107	64,168	147,394	64,835	21,959
Lumber Mutual Fire, Mass.....	4,935,033	1,291,137	2,196,519	1,806,096	690,773
Merchants & Business Men's Mut., Pa.....	2,838,503	470,761	2,277,461	553,744	161,506
Merchants & Manufacturers' Mutual O.....	390,795	167,100	190,744	167,132	86,706
Millers Mutual Fire, Tex.....	2,595,350	1,107,967	1,217,362	1,336,168	579,370
Retail Lumbermens Mutual, Wis.....	392,936	52,813	335,380	97,095	30,164
Security Mutual, Minn.....	196,003	55,226	131,587	107,391	44,350
Texas Hardware Mutual Fire.....	232,053	103,589	117,094	128,798	50,142
Texas National Mutual Fire.....	456,630	100,193	306,120	128,729	33,095

## Garrison Puts Out Booklet in Rate Bill Battle

In support of his proposed state rating law, Commissioner Garrison of California has issued a booklet which sets forth the developments that apparently brought about the need of such legislation and other data, together with the full text of his measure.

Entitled "A Study of the Necessity and Form of State Regulation of Insurance Rates Together with Legislative Proposal," the booklet reviews the S.E.U.A. case, statements by attorneys and others in and out of the business, copies of the correspondence between President Roosevelt and Senator Radcliffe, extracts from a hearing of the subcommittee on the judiciary where Attorney General Biddle set forth his position, a copy of the McCarran-Ferguson bill and an exhibit of state regulation of rates for fire and casualty already in effect.

### Five Bills Are Analyzed

At present the insurance committees of the California legislature are studying the five bills presented; two by casualty interests, the Garrison bill, one by the Pacific Board and another by American Mutual Alliance.

The future of the Pacific Board is involved in the outcome although it is the intent to continue that organization, possibly with some changes in its general makeup.

The directors of the California State Association of Insurance Agents held an all-day session in Los Angeles Sunday on the five bills.

Monday, Mr. Garrison held a conference there with insurance men from San Francisco and the north, as well as from Los Angeles.

Tuesday the legislative committee on insurance and finance began hearings on the bills.

## Miller Case Settlement Held Up on One Point

MINNEAPOLIS—The case of J. T. Miller, general agent, against the Minneapolis Underwriters Association and various insurance companies is set for hearing in federal court Feb. 15 but probably will again be put over, as has been done several times. The Minneapolis Underwriters Association and Mr. Miller have been negotiating for an out-of-court adjustment and are in practical agreement on all but one point, that of rates which the members shall charge.

Miller insists that board members be permitted to write business at so-called legal rates, which would permit them to place business in deviating companies. The officers of the local board are standing firm for their rule that members must write at the rates promulgated by the inspection bureau unless specifically authorized to do otherwise.

The association has agreed to modify some of its other rules, including the "in and out" rule, although the membership has not voted on them as yet.

## Standard Fire Policy Bills in Eight States

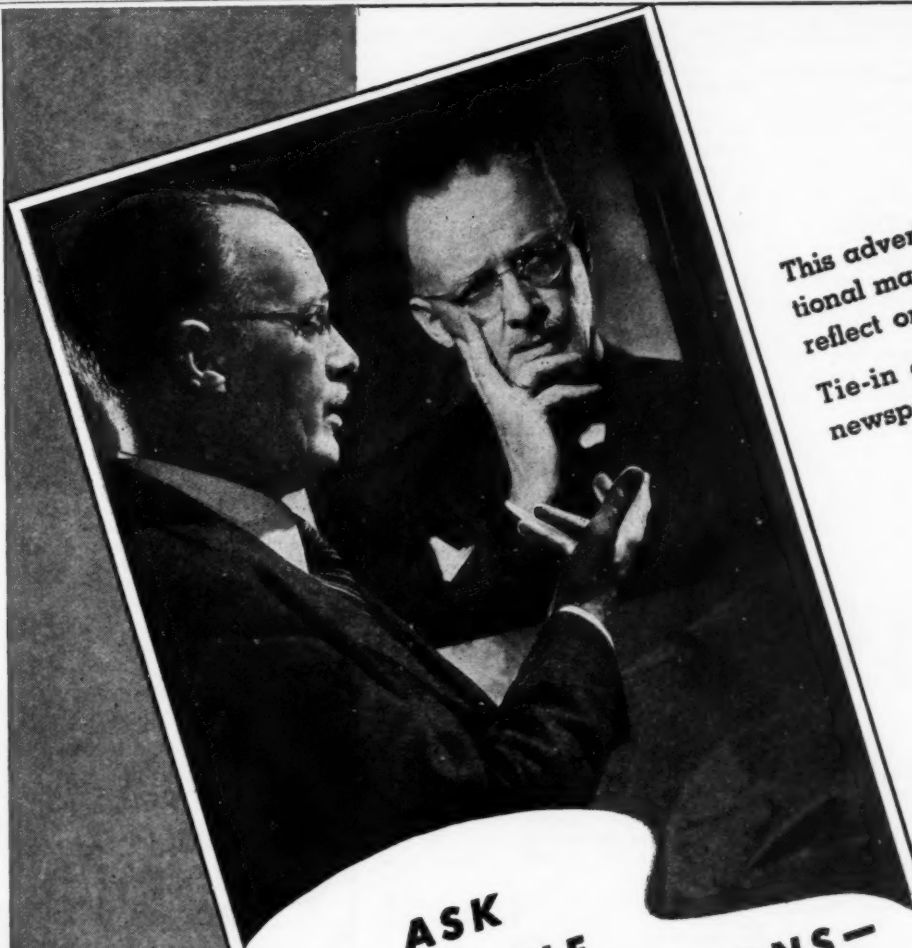
Bills have now been introduced in eight states to enact the 1943 New York fire policy as standard. Those states are California, Connecticut, Iowa, Michigan, Oklahoma, Oregon, South Dakota, and Wyoming.

In Iowa an amendment was tacked on that is being sought through extensive correspondence by A. C. Root of Clinton to make the insurance pro rate only with other valid and collectible insurance.

In 28 states the new policy is already in effect.

The states in which bills have not been introduced and in which the new policy has not been authorized are: Illinois, Kansas, Maine, Massachusetts, Minnesota, New Hampshire, North Carolina, North Dakota, Pennsylvania, Rhode Island and West Virginia.





## ASK YOURSELF THESE QUESTIONS—

- 1—Is my present insurance sufficient to cover the value of my property today?
  - 2—There's more than one way to destroy a building. Do I have the added protection provided by the Extended Coverage Endorsement?
  - 3—Have I got an up-to-date inventory of my household possessions and sufficient insurance on them?
  - 4—Have I asked my agent to review my insurance requirements lately?
- If you cannot answer ALL these questions in the affirmative run, don't walk to the nearest Fidelity-Phenix representative.

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This advertisement appearing in current national magazines bids the reader pause and reflect on his insurance situation.  
 Tie-in advertising — posters, reprints and newspaper mats are available for local use.



## NEWS OF FIELD MEN

### Preston State Agent in Wis.

Herbert A. Preston has been appointed state agent of Crum & Forster in Wisconsin to succeed Clement H. Dachenbach, who died Jan. 28. Mr. Preston has been traveling in Wisconsin for a number of years and before going to that state he served in other capacities with the Crum & Forster group.

He will continue to maintain offices at 825 North Jefferson street, Milwaukee.

### Knoop New President of Ohio Speakers Association

COLUMBUS—E. C. Knoop, Jr., Home, was elected president of the Ohio Stock Fire Insurance Speakers Association at its annual meeting Monday. Joseph M. Harter, attorney, was named vice-president, and Mansell F. Davis, Aetna Fire, secretary. Robert A. Hennie, America Fore, was chosen treasurer and Martin J. Nehring, Western Adjustment, chairman of the executive committee. R. E. Engbreten, Western Adjustment, who joined the air force in September, 1941, told of his experiences in New Guinea.

### Andrews Is America Fore Special Agent in Indiana

Fortunat S. Andrews has been appointed special agent and engineer by Fidelity-Phenix and First American Fire in Indiana, assisting State Agent R. F. Elder. His headquarters will be at the state agency office, 7 North Meridian street, Indianapolis.

Mr. Andrews is a graduate of Armour Institute and his first employment was with the Oklahoma Inspection Bureau from 1924 to 1929, when he was transferred to the Indiana Inspection Bureau. In 1929 he became special agent and engineer for Travelers Fire, continuing

in that capacity until July, 1942. Since then he has been doing plant inspection work for the government.

### SWIS Program in Ky. to Open Executive Office

The SWIS program in Kentucky under Fire Marshal Clyde B. Smith will open executive offices March 1 at 963 Starks building, Louisville, with Walter M. Denning, local agent at Shively, Ky., as deputy director in charge. Mr. Denning is a graduate engineer and formerly was with the Kentucky Inspection Bureau.

The new office will have the objective of increasing the efficiency of the program and coordinating it. There will be facilities for committee meetings, etc. The valuation committee remains unchanged and consists of G. W. Kellner, Aetna Casualty, J. L. Thompson, Kentucky Inspection Bureau, and R. K. Langan, Great American.

The SWIS will hold a meeting Feb. 19 at Louisville, with the various field men, officials of the Kentucky Inspection Bureau, and officials of the state fire marshal's office, to discuss the future work of field men.

### McCormack Addresses Field Men

Commissioner McCormack spoke on state and national insurance legislation at a meeting of the Tennessee Fire Underwriters Association at Nashville. The following members of the insurance department were guests: T. E. Miles, chief deputy commissioner; Curry Sanders, manager self insurers division; Thomas Cowden, chief examiner; Henry Sellman, actuary; Kit Parker, statistician, and Kirt Webb, fire marshal's department. Henry Roberts, Boston, president, was in charge of the meeting.

### Oregon Pond Initiates 12

At the semi-annual meeting of the Oregon Blue Goose in Portland 12 candidates were initiated. Francesco Seley, past most loyal gander, administered the obligation. E. W. Trenbath, Norwich

Union, Seattle, grand keeper, was the principal speaker at the banquet.

### Hayes to Portland Agency

Harold F. Hayes, who has been special agent for the Loyalty group in Oregon for 17 years, has resigned to become a partner in the H. C. Pownall agency in Portland.

### Sipp Heads Ohio Preventionists

Fred I. Sipp, Hartford Fire, chairman of the executive committee of the Fire Prevention Association of Ohio, has become acting president to succeed George S. Valentine, Jr., Ohio Farmers, who has been transferred to Philadelphia.

The association will inspect Ashtabula March 21.

### San Francisco Banquet March 5

The San Francisco Blue Goose will hold its annual ceremonial and banquet, with an elaborate program of entertainment, March 5. The program is under the direction of Earl Wright, adjuster, and Sig Arndt of Finn, Smith & Medcraft, general agents.

### Correction on Art E. Holm

In an item in the Feb. 8 issue stating that several 25-year veterans in the Iowa field were being honored, one field man listed was Art T. Holt, Aetna Fire. This should have been Art E. Holm of Home of New York.

The California Blue Goose will hold an initiation in Los Angeles March 2.

The Valentine party of the Heart of America Blue Goose in Kansas City was attended by about 100 members and their wives.

President W. A. Young of Friends University spoke to the Sunflower Blue Goose puddle in Wichita.

Mrs. Miles Eliff, wife of the manager of the Rain & Hail Bureau, was hostess at the monthly dessert bridge of the Blue Goose Auxiliary in Wichita, assisted by Mrs. Hughes Cunningham and Mrs. C. C. Crow.

Harry A. Yates, vice-president of National Union Fire, is making a visit in Kansas this week in view of the fact that a change in the supervision of that field is taking place.

### Midwest Buyers to Perfect Organization Feb. 20

The midwest insurance buyers' group now in process of organization will hold a second dinner meeting at the Bismarck hotel, Chicago, Feb. 20 to adopt a constitution and by-laws. Plans are to hold the election of officers. Insurance problems will be discussed if there is time. Reservations for the dinner can be made by buyers with Miss Margaret Gabel, Certain-teed Products Corporation, 120 South La Salle street, Chicago, or by telephoning her at Franklin 4280.

### Honor Ellis at 50-Year Mark

L. E. Ellis, Des Moines local agent, was honored at a testimonial dinner in recognition of his completion of 50 years in the insurance business.

C. W. Hall, president of Northwestern Fire & Marine, was general chairman and Oscar J. Eastman, secretary of that company, was toastmaster. A large number of other insurance company representatives from Chicago and New York were in attendance.

If you sell disability insurance, don't be without *The A. & H. Bulletins*. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## TO THE MAN WHO DEMANDS SOMETHING BETTER IN LIFE

You can quickly realize your ambition to find something better in LIFE—without having to give up any of your present activities. Columbus Mutual's Packaged Plans open the way for you! They simplify LIFE insurance selling to a complete series of clear-cut, self-explanatory, individualized plans. Each plan covers a definite group of preferred benefits. Each group of benefits is available in a range of amounts covering almost any need, preference, or pocketbook. It takes only a few minutes to show each client how he can get what he wants, and how much it will cost him. You close sales quickly—and often!

PROOF that you can profitably sell Packaged Plans in addition to all of your present lines is shown by the fact that 60 per cent of Columbus Mutual's new business comes from local agents! The entire sales policy of this progressive company has been specially developed to make LIFE easier for general insurance men to handle. You'll also like Columbus Mutual's ready cooperation, generous commissions, Golden Rule contract, and other helpful policies. Write for full information on Packaged Plans, or mail the coupon for sample sales portfolio. Do it today!



Please send me a sample portfolio of your Packaged Plans, with information on Columbus Mutual's liberal agents' contract and other helpful material.

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CITY \_\_\_\_\_  
STATE \_\_\_\_\_

D. E. BALL, President  
**The COLUMBUS MUTUAL LIFE INS. Co.**  
Columbus, Ohio

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## CHICAGO

### HEPP IS CHAIRMAN

The Western Sprinkler Leakage Conference at its annual meeting in Chicago elected Emil J. Hepp, Springfield Fire & Marine, chairman; William G. Martin, Continental, vice-chairman, and P. J. Doyle, Western Actuarial Bureau, secretary. The report on operations showed that in 1943 premiums on the sprinkler leakage lines in the midwest territory of 18 states totaled \$1,003,619 and losses \$269,216 for a ratio of 26. In the 10 years through 1943 the loss ratio was 38.

### HAWLEY TO TALK ON AVIATION

Due to an unfortunate oversight in an article relating to a lecture series on aviation insurance to be conducted by the Chicago education committee, the name and subject of L. F. Hawley, vice-president of Newhouse & Sayre, aviation underwriters for Employers group, was omitted. Mr. Hawley will be the second speaker in the lecture session Feb. 26, on "Aircraft Hull Insurance."

### EMPLOYE RELATIONS SEMINAR

A new employer-employee relations seminar is to be started at Chicago Feb. 20, with instruction from 7 to 9 p. m. Tuesday evenings following dinner in the Central Y. M. C. A. private dining room. The series will wind up March 20. This is one in a series known as the Insurance Executives Panel. After completion of the current series the proceedings will be made available to all registered members of the panel.

The panel leader will be Harry L. Wylie, professorial lecturer of the department of management at Northwestern University school of commerce. He is a well known management consultant and personnel adviser to the Pure Oil Company. There will be five meetings, the charge for all five, including dinner and minutes, being \$25, it was announced this week by Guy Ferguson of Ferguson Personnel, 166 West Jackson boulevard, the secretary of the panel.

In general the seminar will conduct a complete analysis of working conditions of office workers and direct members' attention to discussion of the labor situation as it pertains to the worker.

### \$200,000 STEEL PLANT FIRE

Fire destroyed one building and damaged another at the Vierling Steel Works, 313 West 23rd street, Chicago. The company was working on war orders. Two men were killed in the fire. There was \$375,000 property damage coverage on buildings and contents and

\$160,000 use and occupancy, and an early estimate is that the loss will run about 50%. The coverage was principally in the mutuals.

### POSTPONE EXAMINERS MEET

The meeting of the Fire Insurance Examiners Association of Chicago scheduled for Feb. 15 has been postponed until next month.

Morton E. Luber, engineer with Rollins, Burdick, Hunter, Chicago, was in Kansas on business.

Income Tax Records build good-will. Write National Underwriter for samples.

### Cleveland Board Planning Centennial Celebration

CLEVELAND—The Insurance Board of Cleveland is making elaborate plans for the celebration of its 100th anniversary in June, 1946. Already a general centennial committee is functioning, and sub-committees are being appointed to take care of special details.

The general committee is composed of Eugene S. Davis, chairman; C. B. Dye, W. E. Flickinger, George E. Frankel, E. J. Garson, Clayton G. Hale, Clarence M. Johnson, Charles H. King,

Jr., T. F. Latta, Theodore W. Lenihan, W. H. Levering, K. H. Sebelin, E. G. Spitz, Charles F. Stewart and E. H. Yost.

A program committee composed of K. H. Sebelin, chairman; W. H. Levering and T. W. Lenihan will have direct charge of the scheduling of events in connection with the big celebration. Another committee to supervise the production of a brochure commemorating the 100 years of service of the board to agents and policyholders has been established with Julian W. Tyler as chairman. It is already at work on the project.

# HOOK ON for more business

**BEFORE FILING THIS POLICY**  
**Ask Yourself**  
**JUST 4 QUESTIONS**

1. HAVE I recently bought any new furniture, furnishings, household equipment, clothing or other articles? ☐ **Amount** \$ \_\_\_\_\_
2. HAVE I recently improved or added to my property? ☐ **My Home & Contents Today Are Worth** \$ \_\_\_\_\_
3. HAVE I increased my fire insurance? ☐ **VALUES and replacement costs are up!**
4. IF A FIRE forced me out of my home, how much would rent and additional living expenses cost? ☐ **THESE EXPENSES can be insured too!**

**IF I HAVEN'T** brought my fire insurance and other coverages in line with today's higher values, I had better fill out and mail the attached card at once!

**YES,** I would like to have your assistance in bringing my fire insurance in line with today's values.

PLEASE SEE \_\_\_\_\_ (NAME)

STREET \_\_\_\_\_ STATE \_\_\_\_\_

CITY \_\_\_\_\_ AT \_\_\_\_\_ AM PM

ON \_\_\_\_\_ (DATE)

Here's a policy hook-on card that shouts, "Have you enough insurance?" and asks the homeowner to consider the need for additional coverage **\$** right at the moment when he's thinking about insurance. If you write fire lines for a company of Fireman's Fund Group, you can cash in **\$** with this point of action sales help. The return card is mailed back to you. Ask for your supply today.



Fire • Automobile • Marine

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## FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company  
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Home Fire & Marine Insurance Company  
Western National Insurance Company  
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## BRANCH SALES MANAGER

Here is a man with eight years' experience as a casualty salesman and Branch Salesmanager for a direct writing company. He is a go-getter with a good sales record and plenty of ability. Prefers South or Southwest.

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**OF FIRE INSURANCE COMPANIES**



*Complete*  
**REINSURANCE  
SERVICE**

*Frank Burns Company*

## Springfield Group Premiums Reach New Peak in '44

Net premiums written in 1944 by the four fire company members of the Springfield group were \$24,358,380, an increase of \$3,291,873, or 15.6% more than in 1943. The volume exceeds the previous peak that occurred in 1942 by \$3,134,536.

Springfield F. & M. wrote \$20,706,161; Sentinel \$607,694; Michigan F. & M. \$2,435,646; New England Fire \$608,879. The companies operate under a portfolio reinsurance agreement whereby all business produced is consolidated and each of the four companies participates on a percentage basis, which arrangement applies also to losses, loss expenses and certain other expenses.

Incurred losses for the four companies were \$13,017,173 as against \$11,270,576 for 1943. These results are accounted for in part by the heavy losses caused by the hurricanes, as well as by a substantial increase in straight fire losses.

Paid expenses increased to \$10,469,463, giving a ratio of 42.98% ratio of expenses paid to net premiums written.

About \$5,699,000 was invested in war loans last year.

### All Gain in Assets

Springfield F. & M. gained \$2,981,443 in assets; Sentinel \$122,290; Michigan \$307,119, and New England, \$139,024.

Total assets of Springfield F. & M. are \$44,093,757; net surplus, \$15,347,406; earned premiums, \$19,126,004; premium reserve, \$18,137,513.

Corresponding figures for Sentinel are \$2,974,294, \$1,281,727, \$561,219, \$533,456. For Michigan, \$5,504,132, \$1,768,500, \$2,249,745, \$2,133,825.

For New England, \$2,923,718, \$1,233,310, \$562,404, \$533,456.

The 25th anniversary year campaign conducted by New England Fire produced country-wide new premiums amounting to \$779,931 and 123 new agencies were appointed.

## Merchants of N. Y. Marks 35th Year

Merchants Fire of New York celebrated its 35th anniversary, having been founded in 1910 by Edward L. Ballard, who served as its executive head until his death in 1937. The company started with a paid in capital and surplus of \$500,000 contributed by a group of 16 stockholders. Subsequently additional funds in the amount of \$770,000 were paid in. Today stockholders number more than 1,200, capital stands at \$2½ million and its surplus at \$13,240,000. In addition there is a voluntary reserve of \$1 million.

Since its organization Merchants, together with its affiliated Washington Assurance organized in 1924 and Merchants Indemnity organized in 1928, have written premiums of \$121 million on which they have realized an underwriting profit of \$9,800,000.

During the past year the assets of Merchants Fire increased \$2,275,000 to \$22,895,000, policyholders' surplus increased \$1,960,000 to \$15,740,000, and underwriting profit was \$145,000 after income tax accompanied by an increase in premium reserve of \$307,000.

Merchants Indemnity has assets of \$4,940,000, an increase of \$390,000, and policyholders' surplus of \$3,624,000, increase \$388,000. The company made an underwriting profit of \$139,000 after income tax.

Washington Assurance assets total \$2,580,000, increase \$175,000, with policyholders' surplus of \$2,278,000, increase \$149,000.

## NEWS OF THE COMPANIES

## Great American Group Reports on Results

Assets of Great American at Dec. 31, stood at \$64,185,233, capital was \$8,150,000, net surplus \$30,422,023, premium reserve \$18,222,468. There was a loss from underwriting of \$335,778. The affiliated fire insurance companies had an underwriting loss of \$235,592 and Great American Indemnity had an underwriting gain of \$879,639.

The consolidated net income of Great American companies was \$3,610,300 before federal income taxes.

Assets of Great American Indemnity were \$27,077,916, capital \$2 million and net surplus \$9,500,322.

Great American had net premiums written of \$20,856,084, losses and loss expense incurred \$10,928,508, underwriting expenses incurred other than federal income taxes, \$8,738,624, trading profit \$1,188,951, increase in premium reserve \$1,479,975.

The affiliated fire insurance companies had net premiums of \$3,899,688, losses incurred \$1,954,445, expenses incurred \$1,549,373, trading profit \$395,868, increase in premium reserve \$290,941.

Great American Indemnity had net premiums written \$11,888,119, losses incurred \$5,572,037, expenses incurred \$4,735,249, trading profit \$1,580,832, increase in premium reserve \$674,155.

## Excellent Year for Agricultural Group

Assets of Agricultural and Empire State reached \$21,726,104 by the end of 1944, an increase of \$1,444,976. The premium volume for both companies was \$10,455,620, up about 12%. Surplus of Agricultural increased by \$417,671, and \$300,000 was allocated to voluntary contingency reserve. Empire State's surplus increased \$31,908.

Marine insurance premiums totaled \$1,942,000, automobile \$1,231,000 and fire and allied lines \$7,282,000, the latter an increase of \$920,000.

Chairman Harvey R. Waite commented that the increase in fire pre-

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The safety container for oily waste, rags and other flammable material.

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For storing and handling explosive or flammable liquids with safety.



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miums is in face of fire reductions in seven representative states in 1944.

At market value securities exceeded cost by \$517,166. Current income earned was 3.99% against 3.82% in 1943, and actual yield earned was 3.59% against 3.56%. Securities were divided 51% bonds, 21% preferred stock, 28% common stock. Of the assets of the two companies, 74% were in securities, 11% cash, 8% agents' balances, 5% mortgages and 2% real estate and other assets.

Dividends of 75 cents a share on Agricultural and 50 cents a share on Empire State stock were declared.

## Security of Conn. Goes Ahead

An increase of \$893,737 in assets to a new high of \$17,739,392 was shown in the annual report of Security of New Haven.

The premium income for Security, East & West and Connecticut Indemnity amounted to \$9,494,740, an increase of \$370,508, a substantial part of which resulted from the casualty operations.

The fire companies' overall increase of premiums was small, due to their acquiring a few large accounts in 1943 which were not recurring in 1944, added to which the largest of those accounts mentioned was canceled during the year. The ocean marine business maintained about the same premium volume, and inland marine produced a very satisfactory increase.

### Casualty Losses Normal

The fire loss ratio showed an increase. Losses in the casualty lines were normal.

Security reported net premiums written of \$6,342,236. The premium reserve increased \$408,815. Policyholders' surplus totaled \$9,074,404, a gain of \$357,648.

East & West reported net premiums of \$1,367,326 and assets of \$4,594,314. The premium reserve increased \$87,477.

Connecticut Indemnity reported premium income of \$1,785,178 and assets \$3,498,003. The premium reserve increased \$171,916.

## Gains Are Recorded in 1944 by Potomac

Potomac, fire affiliate of General Accident, had assets of \$7,137,893 at the end of 1944, which was a gain of \$535,490. U. S. bond holdings increased \$620,692 to \$2,749,635. Cash amounted to \$720,271.

Unearned premium reserve was \$3,160,873, increase \$541,495. Policyholders surplus was \$2,931,758, compared with \$3 million the year previous.

## Jones Financial Secretary of Fire Association Group

Fire Association has elected S. Blackwell Jones secretary in charge of investment affairs for the companies in the group.

Mr. Jones, a native of New Jersey, graduated from Harvard in 1926 and engaged for four years in general accounting and credit work. He then joined the Central Hanover Bank in New York serving in the trust investment department six years. Later he was investment counsellor with Loomis, Sayles & Co. For two years Mr. Jones has been associated with the price renegotiation office of the army signal corps.

## Watkins Excelsior Chairman

Charles H. Watkins, prominent local agent of Boston, has been elected chairman of Excelsior of Syracuse taking the place of W. G. Hurtzig, local agent of Morristown, N. J., who has been compelled to give up a number of his activities on account of the condition of his health. Mr. Hurtzig continues as a director. He was presented with an

inscribed sterling silver cigarette box at the stockholders and directors meetings.

Newly elected directors are Lynn J. Bickelhaupt, local agent of Saratoga Springs, N. Y.; George W. Lee, attorney of Syracuse, and F. H. Witmeyer, second vice-president and secretary of Excelsior.

The stockholders ratified the proposed increase in capital to \$370,000.

Assets now total \$1,298,510. Net agency premiums increased nearly 20%, net surplus shows a gain of 18% and premium reserve was up 7%.

## IN U. S. WAR SERVICE

A. L. Wilson, cashier in the Chicago office of Phoenix of Hartford for several years and previously in the home office, has been inducted into the army.

Lt. F. E. Anderson has been reported by the navy as missing in action. Prior to entering military service, Lt. Anderson was a member of the firm of Northwest Underwriters of Chatfield, Minn., as field manager in Minnesota and North Dakota. He was serving aboard a plane carrier with the fleet in action around the Philippine Islands and in the China Sea. Pfc. Burt L. Giese, a for-

mer employee in the underwriting department of Northwest Underwriters, is also reported as missing in action. He was serving with the infantry in Belgium.

Lt. James R. Smith, B-24 Liberator bomber pilot, is enjoying a leave after two years in service, which included crash landing of his plane in Switzerland and several months' internment. He was formerly casualty underwriter of Indemnity of North America in San Francisco and before with the company's Portland office. He is to report to Santa Monica, Cal., for reassignment.

Lt. John J. Sullivan, formerly local counsel for General Accident in Chicago, now legal officer at the naval air base technical training center, Memphis, Tenn., at the graduation exercises there, at which he gave the address, was presented the bronze star medal for meritorious service as officer-in-charge of a south Pacific combat air transport command on Bougainville, Solomon Islands, both in maintaining a continuous flow of supplies and prompt evacuation of the wounded.

T. M. Geoghegan, vice-president Perkins & Geoghegan agency, Cincinnati, received word that his son, William A. Geoghegan was wounded in action in the European theater while fighting

with the 94th Division. He was a student at Xavier University when he joined the infantry 18 months ago. Private Geoghegan's wound is from a shell fragment which passed through his foot. Another son, Sgt. Thomas Geoghegan, Jr., is with the air force ground crew in the South Pacific area.

Pfc. Winston Churchill, an employee of North America at its head office, won a trip to Paris and a \$50 war bond in a recent slogan contest on tire conservation sponsored by the "Stars and Stripes" in France. Churchill's slogan was "Under Every Fender Rolls Unconditional Surrender."

The Springfield F. & M. group reports that of its male employees country-wide nearly one-half have been inducted into the armed services. Ninety-three are in active service, eight have been honorably discharged and there has been one casualty.

C. T. Houston, deputy state fire marshal of Tennessee, has been inducted into the army. He has also headed the legal division of the insurance department under Commissioner McCormack.

A "must" for every A. & H. man's library—"Planned Salesmanship," by Cousins. \$3.00 from National Underwriter.



## People who work for an insurance policy

Each insurance policy you write includes, without additional cost, the services of all these people—

**THE AGENT**—he knows that insurance is a personal matter.

**THE UNDERWRITER**—trained in practical protection.

**THE ADJUSTER**—ready to serve you in time of trouble.

**THE LOSS-PREVENTION ENGINEER**—he helps prevent fires and accidents.

**THE AUDITOR**—who checks policies to insure their accuracy and correctness.

**THE STATE INSURANCE DEPARTMENT**—which supervises all insurance operations in your state.



When somebody asks you "why is the agent a good man to know?", the answer is "he makes people safer and happier!"

## Ohio Farmers

INSURANCE COMPANY • LEROY, O.

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THE INSURANCE AGENT IS A GOOD MAN TO KNOW

## Ohio Governor Sponsors Tax Equalization Bill

COLUMBUS—A bill to levy a 2¼% tax on the premiums collected in Ohio by all insurance companies, both domestic and foreign, was introduced in the Ohio assembly Monday night at the instance of Gov. Lausche. Prudential having announced it intends to contest in the courts the state's action in levying a tax of 2½% on foreign companies and not on domestic, the governor took this step in an effort to make up a possible loss of \$8 million in state revenues.

It is said that the 2¼% tax on all insurers would produce about the same revenue as the 2½% tax levied only on foreign companies. Some time ago Gov. Lausche told the Ohio companies he would take no step until March 1 in respect to taxing them, but he evidently decided to move at once, in view of the notice of Prudential that it intended to take action. The introduction of the bill came as a surprise. The state offices were closed Monday and no intimation had been given as to the governor's intention.

### Governor's Statement

Gov. Lausche said: "I do not feel justified in relying on the hope that the present Ohio tax law might be declared valid. The consequences of an adverse decision are too great to warrant a special approach to the outcome of the litigation."

The executive said that should the present tax be held valid, the legislature can take steps to relieve the Ohio companies of the tax. It is understood that he made known his intention late Monday in a telephone message to former Gov. John W. Bricker in New York. Mr.

Bricker represents the Ohio life companies in the matter.

The proposed tax law will not apply to premiums written on business in 1944 or in 1945 up to the time that the act becomes effective.

In an avalanche of nearly 300 bills introduced in the Ohio assembly Monday night, the last day for the introduction of bills, were several affecting insurance.

One provides that fire insurance rates must be approved by the department before they can become effective.

One prevents insurance adjusters from entering a hospital or rest home to adjust a claim, and another prohibits an insurance organization from charging membership or policy fees larger than subsequent premiums. The bill does not prevent the payment of dividends and does not apply to mutual protective associations.

## Alabama Tornado Loss to Insurers Appears Small

Despite a toll of 41 dead and about 200 injured, the tornado which struck Montgomery, Ala., and vicinity does not appear to have done extensive damage to insured properties. The shortage of adjusters has made it impossible to obtain even an approximate estimate of the property damage but newspaper accounts do not indicate an extent of devastation comparable with the major storms of the last couple of years.

H. E. Hilton, U. S. Chamber of Commerce insurance department, left for Boston by plane Monday night to confer with officials of the National Fire Protection Association on an agenda for the meeting of the Fire Waste Council scheduled at Washington for April 13.

Mr. Hilton planned stops at Hartford and Springfield.

## Little Depreciation Cover Written

The subject of depreciation value insurance is brought up occasionally by assured who believe they need a policy to reimburse them for the difference between the sound insurable value of a property and the replacement value. This is particularly true in times when values change rapidly. The gap between insurable value and replacement value is much wider now than in normal times.

While the demand for such coverage is not large, in comparison with the demand the amount which is actually written by the companies is meager. "Officially" few if any companies will write it, even in New York where the New York Fire Insurance Exchange legitimized the line by bringing out a form in 1941. The companies write it only when circumstances are such that they would otherwise lose a substantial volume of other business.

### Can't Insure What Isn't

Underwriters justify their negative attitude toward the policy by pointing out that it is impossible to insure values which do not exist. A sound insurable is defined as the replacement value less depreciation, but there are many types of "depreciation" taken by business management. The insurable value determined at the time the business is written does not always turn out to be the insurable value when the loss is adjusted. Nevertheless, underwriters feel that there is a gap between replacement value less depreciation, and to insure it is to depart from the idea of insurance as indemnification.

Some assured during the war undoubtedly believe they have solved the problem of increasing values by insuring 100% to value or perhaps even more, although in case of loss some or all of


## May 'Use' Adjusters on Philippine War Damage Claims

Whether to utilize the services of adjusters of the Fire Companies' Adjustment Bureau in settling Philippine war damage claims, as was done in Hawaii and Dutch Harbor, or to have this done by the army and navy or in some other way is still under discussion among interested government officials. Because the Philippines will be in the active war theater for some time some believe it would be unwise to send civilian adjusters into the area because of the danger to their lives.

Two bills have been introduced in Congress affecting the handling of Philippine claims and it is likely that decision on sending civilian adjusters will be held off until Congress has had time to act, but the executive branch of the government could go ahead and handle the claims without congressional authorization. As at Hawaii and Dutch Harbor, damage occurring before War Damage Corporation insurance went into effect cannot be paid out of WDC premiums but only out of special funds appropriated by Congress.

(CONTINUED ON LAST PAGE)

the excess over 100% certainly would be washed out by adjustment. Firms whose incomes have skyrocketed may well believe that on a capitalization that reflects earnings their properties are worth a good deal more than the insurer is willing to protect. Other firms may have buildings which in normal times would be worth little but because the war has increased earnings and has made replacement costs so heavy they have much more to insure than they would have ordinarily.

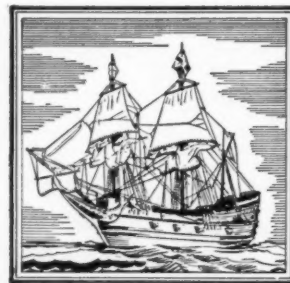


**THE CONSTITUTION REINSURANCE CORPORATION**

**JAMES Y. MILNE, PRESIDENT**

**90 JOHN STREET NEW YORK**

**Reinsurance FIRE AND ALLIED LINES**



## Two New England Companies

The Mayflower was chosen as the symbol of these two companies as typical of their characteristics:

*Old New England—Sound,  
Safe and Fair-dealing*

**BOSTON INSURANCE CO.**

INCORPORATED 1873

**OLD COLONY INSURANCE CO.**

INCORPORATED 1906

**FIRE • MARINE • AUTOMOBILE • AVIATION**

**87 KILBY STREET, BOSTON 9, MASSACHUSETTS**



## Court Overrules Liability Denial in Bailee Case

Denial of liability by Freystown Mutual Fire on two \$3,000 policies covering grain in a warehouse at Mt. Holly Springs, Pa., was overruled by the Pennsylvania supreme court. Park Gardner owned and operated the warehouse for storing grain which he accepted from various persons and to whom he issued negotiable warehouse receipts. He entered into a uniform grain storage agreement with the Secretary of Agriculture. By the terms and conditions of the warehouse receipts and this agreement, Gardner obligated himself to insure for its full market value in his own name the wheat stored with him against loss or damage by fire. He took out three policies, one with North America and two with Freystown Mutual.

The warehouse and almost all its contents were destroyed by fire Oct. 2, 1942. The wheat was owned by four separate bailors. North America paid the full amount of its insurance without contest or deduction, but Freystown Mutual argued that the bailors of the grain were the real parties in interest and either should have instituted the action or at least have been brought on record as the beneficiaries of the trust. The mutual also argued that there was no evidence adduced by Gardner as to the amount of his liability to the bailors whose wheat was destroyed by the fire. The court held that there was no merit in either of these contentions. It pointed out a bailee may insure in his own name the property in his possession and in case of loss recover the full amount of his policy, holding all beyond his own interest and trust for his bailor. There was ample evidence, the court said, to show the amount of Gardner's legal lia-

## Wednesday Moves at Washington on Big Bill

WASHINGTON—In order to secure a conference with the Senate on prospective differences over insurance legislation, and anticipating House consideration of the subject on Wednesday, the House judiciary committee recommended, in a report by Representative Walter, Pennsylvania, the Senate bill S.340 by number, but amended by striking out all after its enacting clause and substituting the text of HR.1473, the Walter bill, as changed last week by the judiciary committee.

Walter called up S.340 as amended by committee under general rules allowing only one hour's debate excluding further amendments, unless a motion for adoption of the "previous question", is voted down. Consideration was delayed by a quorum call.

Walter, Hancock, and others spoke in support of the bill. Celler, New York, opposed it and said the Attorney General opposes it. He dwelt upon elimination of the word "agreement" from the anti-boycott provision of the bill.

Majority Leader McCormack referred to that change and said the Attorney

General suggested inclusion of language against "agreement to boycott, coerce or intimidate." McCormack obtained from Walter a promise he would accept such language if the bill goes to conference.

Anderson, New Mexico, objected to elimination of the statement of purpose of the moratorium and said if the previous motion were defeated he would offer the original compromise agreement bill as a substitute. Gwynne, Iowa, and Michener, Michigan, supported the bill.

Summers, Texas, said the Supreme Court decision produced chaos and companies are hesitating to pay state taxes.

In reply to criticism of section three of the bill to exempt insurance from the FTC and Robinson-Patman laws, he said it would not be "permanent law" and that such exemption might be made temporary under the anti-trust moratorium provision.

Summers urged passage of the bill and sending it to conference which can decide what should be done about section three and work out the best measure practicable.

Cooper, Tennessee, said section three can be rewritten by the conferees or taken out.

Walter's motion of the previous question was adopted on a standing vote 152 to 59. The committee amendment substituting text of HR 1793 for that of S. 340 was adopted viva voce. Cochran of Missouri's motion to send the bill back to committee with instructions to strike out section three was lost on a standing vote 62 ayes, 171 noes.

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## Quaid Regards Extended Coverage Volume With Pride

William Quaid, vice-president of Home, viewed with much satisfaction the reports of the companies as to premiums derived from writing the extended coverage policy. He devised or invented this form.

Mr. Quaid has always felt that his home is a man's castle. There is a certain pride and thrill in owning a home. Therefore when it is destroyed through any cause unless a man is fully protected by insurance his ambition may be greatly impaired. Mr. Quaid was aware of the fact that the two main hazards attacking a home were fire and windstorm. There are other possible dangers, which may be remote in a way, yet if they materialized they would destroy a home as thoroughly as fire or wind. He called attention to the fact that it does not pay an agent, for instance, to go out and sell tornado insurance alone at the present rate as the commission does not pay him for the time expended.

However, Mr. Quaid did contend it would be possible to sell what might be called package insurance or a combination of these various hazards under one policy. In recent years that has been much loss from hail. Some of the recent so-called "conflagrations" were hail losses, helped of course by wind.

Since the extended cover policy has become popular agents find that assured are gratified to be fully covered. Mr. Quaid considers the extended cover premiums his special contribution to insurance.

W. Dudley Gale of Gale, Smith & Co., Nashville, has been elected vice-president for middle Tennessee of the National War Fund.

Insuring industrial risks "Manufacturer and Insurance" by Myers tells how. \$3.00 from National Underwriter.

# INTER-OCEAN REINSURANCE COMPANY

## CONDITION DECEMBER 31, 1944

### ASSETS

Cash in banks .....	\$ 548,194.68
United States Government Bonds.....	2,372,876.10
Other bonds .....	642,325.41
Stocks .....	685,353.00
First mortgage loans FHA.....	466,334.99
Other first mortgage loans.....	39,829.95
Real estate sold under contract.....	63,300.00
Home office .....	87,504.28
Other real estate .....	11,850.00
Accrued interest and rents.....	27,075.20
Due from insurance companies.....	329,427.49
(Not over 90 days)	
Other admitted assets.....	49,613.77
	<b>\$5,323,684.87</b>

### LIABILITIES

Unearned premiums .....	\$2,922,894.95
Reserve for losses.....	387,065.50
Reserve for adjustment expense.....	12,681.95
Reserve for taxes.....	26,120.32
All other liabilities .....	28,560.75
Capital .....	\$ 500,000.00
Surplus .....	1,446,361.40
Treatyholders' surplus .....	1,946,361.40
	<b>\$5,323,684.87</b>

Note: The amortized and market values used in this statement are on the basis prescribed by the National Association of Insurance Commissioners. On an actual market value basis the total admitted assets would be increased to \$5,379,683.60 and the net surplus to \$1,502,360.13. Securities carried at \$502,144.77 in the above statement are deposited as required by law.

## REINSURANCE - FIRE AND ALLIED LINES

EASTERN DEPARTMENT  
90 John Street  
New York

HOME OFFICE  
CEDAR RAPIDS, IOWA

PACIFIC COAST DEPT.  
114 Sansome St.  
San Francisco



## MY BOSS SAID...



**"Write our  
INLAND MARINE  
policies, too, in  
PACIFIC NATIONAL"  
...AND I KNOW WHY!**

Our agency is progressive. We want to give our clients the balanced protection that Pacific National provides. *That* company is always out ahead, anticipating tomorrow's trends today. They've helped us get many new accounts, and their service to agents is tops! ★For example, Pacific National not only writes a *modern*, complete Personal Property Floater but also furnishes a printed salesman that's a knockout! It's a colorful, dramatic folder with application form attached—called, "Enjoy Peace of Mind." My Boss gets *plenty* of new business with it. You ought to send for a copy.

**ABOUT THAT FOLDER:** If the Personal Property Floater is written in your state, why not act on the young lady's suggestion? Request sample copy from our Inland Marine Department.

**PACIFIC  
NATIONAL  
FIRE INSURANCE  
COMPANY**

HOME OFFICE: SAN FRANCISCO  
EASTERN DEPARTMENT: PHILADELPHIA

OFFICES IN PRINCIPAL CITIES  
COAST TO COAST

## Loss by Explosion Created Main Issue in Adjustment

The United States district court, eastern district of Louisiana at New Orleans, had before it the case of the Board of Commissioners of the Port of New Orleans vs. Norwich Union. The plaintiff sought to recover judgment for \$20,547 with 12% additional as damages and with interest and attorneys fees. On July 1, 1937, the Norwich Union issued two one-year policies carrying stated limits of liability respectively or in excess of the amounts therein sued for, the court claimed. The original amount in each policy was greatly increased by four consecutively-added policy riders, while all other policy terms and conditions were specifically confirmed on the making of each one of the four amendments.

### Scope of the Policies

One of the policies insured against direct loss by explosion and the other by fire. The company insured the grain and seeds located in the plaintiff's grain elevator. Both policies excluded loss by interruption of business. After an explosion and ensuing fire which occurred in the grain elevator the elevator's mechanical equipment for turning over and drying out of stored grain was so damaged as to be wholly out of commission for the succeeding six days despite efforts to restore such equipment to full functioning efficiency. The business was entirely dependent upon the proper functioning of this equipment.

The higher court is of the opinion that the resulting deterioration was not excluded in the policy under the interruption of business clause but that it was the proximate and direct result of the explosion, and that the policyholder was entitled to recover, not only the amount paid out to the owners of the stored grain, but 12% additional for withholding payment of such proved loss, together with attorneys fees.

Use The A. & H. Bulletins for disability policy and sales data. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## Advantages of Association to Small Town Agent

Reasons why a small town agent should belong to his state and National association were given by C. B. Erskine of Cimarron, Kan., a town of 1,004 people, in a recent "News Letter" of the Kansas Association of Insurance Agents.

"I value my membership in the state association for the following reasons along with many others: It keeps me in touch with a large group of honest-to-goodness live-wire fellows; the monthly association 'News Letter' is more than worth the minimum \$6 membership fee; the weekly and monthly bulletins from the state and National associations contain information which if read and taken advantage of will return many times the annual membership fee each year; the association and its officers are constantly working to improve the standing and financial advantage of every local agent; much special information one needs from time to time may be obtained through the state secretary's office; it gives the local agent a better standing with his companies when it is known that he is a member of the state association and nearly all stock companies support the association."

## Issue Where Two Companies Had Different Policies

A dairy company obtained a public liability policy indemnifying it against loss on account of any accident occurring on its premises. It subsequently obtained from another company a policy insuring it against loss on account of any accident arising out of the use or operation of any of its trucks. The public liability policy provided that if other insurance existed which covered any loss included with this coverage it would provide only excess insurance over the amount provided by the other policy. The automobile policy provided that if other insurance existed it was to cover only a pro rata share of the loss.

A woman was injured on the premises through the negligent operation of one of its trucks and the question arose as

to which policy it covered. The Ohio court of appeals for Cuyahoga county in *Trinity Universal vs. General Accident* held that the "other insurance" clauses in each policy canceled one another and that each company was to bear a share of the loss in proportion to the amount of insurance provided by its policies.

## Cancel Ohio Farmers Parley

In compliance with the government's request, it was decided to cancel the annual meeting of the Ohio Farmers Agents Association, which had been scheduled for LeRoy, O., Feb. 12-13.

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WASHINGTON  
INSURANCE COMPANY**

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**Both companies  
write  
FIRE  
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WINDSTORM  
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ALL RISKS  
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**ANCHOR  
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Organized and Owned by the  
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**PROVIDENCE, RHODE ISLAND**

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REINSURANCE  
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OF ZURICH, SWITZERLAND

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U.S. MANAGER

250 PARK AVENUE  
NEW YORK, N. Y.

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REINSURANCE  
TREATIES**

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## Tells New Gas Liquefying Method Used in Cleveland

Interest in the storage of gas in liquefied form from an insurance underwriting standpoint has been high since the Cleveland fire that started when a liquefied gas container ruptured at the East Ohio Gas Co. An engineer with the gas company prepared a technical discussion of "Storing Gas in Liquefied Form" for presentation at the annual conference of state utility commission engineers at St. Louis last year.

Such storage is comparatively new, the paper points out, but has proved so satisfactory a solution to one of the major problems of the gas industry, maintaining a balance between supply and demand during periods of peak requirements, that liquefaction plants are expected to be established near the outskirts of many large natural gas consuming centers. Storing natural gas in summer to meet the extra demands of winter can be done in several ways, one being as a liquid at extremely low temperatures in well insulated alloy steel tanks. This is the newest method and was the type installed by East Ohio Gas Co. at the beginning of 1941.

### First Such Plant

It was then the only natural gas liquefaction, storage and regasification plant in the world. It originally was designed to liquefy four million cubic feet of gas per 24 hours, and had three storage tanks each holding 97,000 feet of liquid equal to 50 million cubic feet of gas. Storage facilities were subsequently increased by addition of a liquid storage tank holding the equivalent of 90 million additional cubic feet so that at the time of the Cleveland fire storage capacity was approximately 240 million cubic feet in liquid form.

The company used the cascade system of liquefying gas, whereby temperature is progressively reduced by using first an ammonia condensing circuit, then an ethylene condensing circuit, and finally a natural gas condensing and expansion circuit.

### Details of Process

The gas to be liquefied enters the plant from the city high pressure lines at 30 lbs. per square inch gauge pressure and is compressed by a 600 h.p. gas engine compressor to 600 lbs. gauge pressure, the paper states. The compressed gas then goes through the scrubbing plant to remove all water and carbon dioxide, then to the ethylene exchangers with high-pressure gas on the inside and boiling ethylene on the outside, thereby chilling the gas to 126 degrees F. below zero and reducing it to a liquid. After further chilling in the two flash gas exchangers to 139 degrees F. below zero, it is cracked through the first expansion valve into the first expansion tank at a pressure of 55 lbs. gauge. Here about half of it remains as a liquid, and the remainder goes back to be recompressed and processed over again.

The liquid from this tank is then cracked through the second expansion

valve directly into the main storage tanks at a pressure of 8 lbs. gauge, about 85% of it remaining as a liquid for storage, and 15% going into gas and being recompressed for further treatment. The evaporated gas from the second stage, after passing through heat exchangers, is picked up and compressed to 55 lbs. gauge by a 150 h.p. compressor. Here it joins the evaporated gas from the first-stage cracking, and the combined stream is taken by an 800 h.p. engine and boosted to 600 lbs. gauge, being then put back into the raw-gas feed stream. The evaporated gas is practically pure methane.

The ethylene is contained in a closed circuit, where it is compressed, using 1,200 h.p. at the flowing rate of 7 million cubic feet per day up to 340 lbs. gauge, and then is cracked through an expansion valve to 5 lbs. gauge, reducing the temperature to 145 degrees F. below zero, which is used to condense the high-pressure gas.

The ammonia is also in a closed circuit, flowing at the rate of 3,750,000 cubic feet per day, and compressed by a 500 h.p. engine to 113 lbs. gauge, and then expanded through a valve to 3 lbs. gauge, reducing the temperature to 20 degrees F. below zero which is used to condense the high-pressure ethylene.

It was a puzzle to the engineers to store the liquid gas until it was required for distribution; an alloy was needed that would stand up under the low liquid gas temperature. One experiment resulted in a special nickel alloy with a .09% carbon and 3½% nickel content, as well as small percentages of manganese, sulphur, phosphorus and silicon, which produced the desired strong, light and ductile material.

### Details of Storage Tanks

The original three storage tanks of East Ohio Gas Co. were two concentric spheres separated by three feet of cork insulation, formed in the lower half, to carry the load of the inner tank and its contents, and granulated in the upper half. The granular cork insulation is used between the two shells in the upper part because supporting strength is not needed, the granular material being equally efficient as an insulating material and less costly and easier to place than cork board.

The space between the two shells was vapor tight and a slight gas pressure was maintained by oil seals to prevent the entrance of any moisture-laden air which might impair the insulation. The top part of the outer sphere was provided with stiffening ribs to enable it to withstand the slight vacuum which occurs with reductions in the barometric pressure, the oil seals having sufficient back pressure to prevent venting.

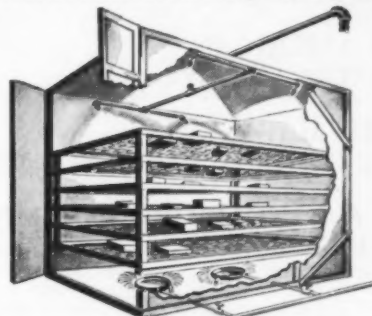
The outer sphere was 63 feet in diameter, made of tank steel and carried by legs down to a concrete footing. The inner tank was 57 feet in diameter and supported entirely on the cork surrounding it; it was of all-welded construction to insure a leak-proof container, as the unusually great temperature changes cause expansion and contraction of the metal. Over 200 welding rods were tried to get one which would give a weld with a satisfactory Charpy impact test at 310 degrees F. below zero, the temperature of liquid nitrogen, and the one finally selected was high in nickel and chromium.

### Fourth Storage Tank

The fourth storage tank was "toro-segmental," the inner nickel steel shell being 70 feet in diameter and 42 feet 10 inches high and the outer standard steel shell being 76 feet in diameter and

## "Automatic" U.S. Stubbhorn FIRE-FOG DRYER FIRES

-a Fire Test of Interest to Every Manufacturer



"Automatic"  
FIRE-FOG

\* IT BLANKETS \* IT ISOLATES \* IT QUENCHES \*

**The Time:** Summer, 1944.

**The Place:** "Automatic's" Test Yard, at Youngstown, Ohio.

**The Occasion:** A test to determine the fire protection value provided by FIRE-FOG for a Dryer.

Frankly, FIRE-FOG was "on the spot"—other fire protection methods had failed.

Conditions at the manufacturer's plant were simulated. A test oven was built; drying racks were made; pieces of material distributed over the racks. Gas burners were lighted and the temperature brought up to the ignition point for the material tested and maintained for 15 minutes—then FIRE-FOG was introduced into the oven through FIRE-FOG Nozzles.

The result?—in only a matter of seconds the fire was extinguished! And only a few gallons of water had been used!

What has "Automatic" to offer you? "Automatic" service includes test, design, manufacture and installation of the type of sprinkler system best adapted to extinguish YOUR fires. Write for complete information.

**NOTE:** In normal fire-fighting operations FIRE-FOG action is entirely automatic—it blankets... isolates... quenches—usually in a matter of seconds.

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SPRINKLER CORPORATION OF AMERICA  
YOUNGSTOWN, OHIO... OFFICES IN 31 CITIES

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*For Over Fifty Years Good Friends of Local Agents*

**IN CLEVELAND**  
IT'S THE



HOME OF THE FAMOUS  
**VOGUE ROOM**  
1000 ROOMS WITH BATH  
RADIO IN EVERY ROOM  
FIVE FINE RESTAURANTS  
CENTRAL DOWNTOWN LOCATION

51 feet high. The new tank was cylindrical in shape, but the top and bottom of the inner tank was of special design to provide for the expansion and contraction. The uniform space of 3 feet between the two cylinders was packed with rock wool insulation.

The evaporation equipment consisted of three pumps that picked up the liquid from the tanks and raised its pressure to about 40 lbs. gauge, the city belt-line pressure. The gas went to a two-stage heat exchanger with gas on the inside of the tubes and steam on the outside. The first-stage heater had double tubes, the liquid passing first through a 1/2-inch tube and then back between it and a 1-inch tube, exposing a very thin high-velocity stream to the heat. Thereby was added the heat of vaporization and the gas left at about 200 degrees F. below zero. From the steam heater, it went to a final four-pass gas heater, where its temperature was raised to about 30 degrees F., before being passed through meters to the distribution lines.

#### Lot of Heat Required

It requires considerable heat (20,000,000 Btu per 1,000,000 cubic feet of gas) to return the extremely cold liquid gas to its natural state. At the maximum rate of the plant, 2200 boiler h.p. is required to supply sufficient steam for the process.

The rest of the plant consisted of the conventional water-cooling towers, water pumps, air compressors, and the other usual appliances of a gas-compressing station. All piping carrying gas or liquid colder than 50 degrees F. below zero was made of copper tubing with Van Stone joints using bronze flanges and bolts. At every point possible automatic controls are used to regulate pressure, temperature, volume or engine speeds, to eliminate all but a minimum of manual supervision.

#### Constant Winter Operation

It is necessary to keep the liquefaction apparatus in constant operation through the winter. A small amount of gas tends to evaporate from the surface of the liquid in storage but this evaporation tends to maintain the low temperature of the remaining liquid. The evaporated gas is allowed to flow into the distribution lines. The whole system is so arranged that liquid gas can be re-gasified and discharged into pipe lines leading to the city in a continuous process at varying rates as required.

The Cleveland plant was constructed by the Gas Machinery Co. of Cleveland at an approximate cost of \$1,700,000. Gas is drawn from the West Virginia fields.

#### Mittelbush Agency Head of Security of Iowa

Security Fire of Iowa has appointed R. R. Mittelbush as agency supervisor with headquarters at the home office in Davenport. Mr. Mittelbush has been with Security Fire for many years, first as examiner in the home office, and for the past 14 years as Illinois state agent. When the company entered the inland marine field, Mr. Mittelbush acted as manager of the department. He is a past president of the Illinois Field Club, and a former vice-president of the Illinois Fire Prevention Association.

He will continue to supervise the Illinois field for the duration along with his additional duties.

R. C. Denkmann, who is associated with one of the big downtown banks in St. Louis, has disposed of his interest in the Carriers & Merchants Insurance Agency and the Robert Rumbold & Co. agency there.

#### BUILDING COSTS

HAVE INCREASED APPROXIMATELY

**7% 17% 32%**  
IN 1 YEAR IN 3 YEARS IN 5 YEARS

CHECK INSURANCE AGAINST VALUES

**MARSHALL AND STEVENS**  
INSURANCE APPRAISALS

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ST. LOUIS SAN FRANCISCO

PUBLISHERS OF  
MARSHALL STEVENS  
VALUATION SERVICE VALUATION QUARTERLY

#### Green Bay Insurance Counsellor Plan Explained

A recent issue of "The Municipality," publication of the Wisconsin League of Municipalities, contains an article on the insurance counsellor plan that was adopted during the depression years by the city of Green Bay. The article was written by Comptroller John Pease of Green Bay.

The plan was developed during the depression years when a number of insurers were in financial difficulty. The council insurance committee felt that it should have some protection and conceived the idea of engaging an insurance counsellor. All policies are submitted to him but he does not tell the committee how to award the insurance. He simply advises the committee of any irregularities and whether a company is financially sound.

The counsellor checks over all policies, has all property appraised, checks the buildings to see that all credits are given according to the risk involved.

#### Liability for Signs

Frequently the counsellor was successful in increasing and securing additional coverage by including extended coverage for a small additional premium. He also obtained liability protection for signs hanging over streets. Liability and property damage are covered on city vehicles and also the non-ownership and hired car hazards is covered. The non-ownership policy is on a flat bid while hired cars are on a compensation or payroll basis.

The non-ownership coverage is included because occasionally a council member uses his own car on committee work. Once or twice the councilman had no insurance leaving a serious question whether the city would be liable in case of an accident.

A blanket policy was secured for the board of education covering musical instruments. The school board and city have separate contracts with the counsellor. The city pays an annual fee of \$150. All insurance policies and surety bonds are referred to the counsellor before a recommendation is made to the council by the committee.

Robert P. Burke, USNR, youngest son of Vice-president Patrick F. Burke of Indemnity of North America, was killed in a bomber crash in California. Burial was at Wynwood, Pa.

#### AVAILABLE

All around insurance man, 20 years with one company, experienced in sales, sales training, sales management, underwriting and claims work both fire and casualty. College graduate, married, age 51, good health, excellent references. Address B-9, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### WANTED

To buy whole or part interest in well-established general insurance agency in Middle West, preferably Indiana or Kentucky, exclusive of mountains. Address B-11, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Experienced Fire Special Agent for Wisconsin Field by large, prominent group with Milwaukee field office. Prefer one who has had Wisconsin experience. Permanent position, good future advancement prospects. Apply B-10, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**ARE YOU** neglecting your policyholders? By sending them the Insurance Buyers' Digest each month they'll know you are on the job, ready to serve. Write the National Underwriter for samples.



## Reinsurance Seen in Germany During the War Period

### Study of Conditions with Companies in Occupied Territory

The "London Review" comments on a recent survey made by the "Hamburger Fremdenblatt" made on the development of German reinsurance. It viewed the activities of German reinsurance companies since the war broke out. It recalls that after the four years of the first world war German reinsurance regained its position in the international reinsurance market so that by 1938-39, the total premium income of German reinsurance companies had reached Rm. 550,000,000 of which the Munich Reinsurance wrote Rm. 210,000,000.

The "Review" says that naturally German reinsurance companies suffered badly at the outbreak of the present war when connections with ceding offices not alone in enemy countries were broken off, but also because of difficulties raised in neutral and half neutral countries.

### Expanded with Victories

The "Review" finds that the position changed considerably after the military victories of 1940, which brought a large part of Europe under German control. It became possible to step in where British reinsurance had previously dominated and there was consequently a considerable revival of French, Belgian and Dutch reinsurance lines, and in 1941 also of southeastern European premiums. Business extended especially in reinsurance of the industries, that is, on fire and transport insurance. The increase in transport premium income was especially noteworthy as the great reduction in civilian traffic all over Europe at that time caused a substantial reduction in premium income.

The "Review" said it is claimed that no emergency situation arose in Germany or the occupied countries, and that after the initial difficulties were over the reinsurance companies were able to devote their whole strength to their new tasks, including the covering of large risks hitherto done by London Lloyds.

The "Review" says that the percentage of business retained for their own account has not varied substantially during the war. The Munich retained 87% in 1942, against 88% in 1939. The "Review" says further:

"As recently reported, the Croatian insurance companies have put up a capi-

tal of 3,000,000 national currency to form a new reinsurance company with head office at Agram. Surveying the development that led to the foundation of this company the "Berliner Borsen Zeitung" says that the idea was mooted in 1940 in Belgrade and that the Agram Association of Insurance Companies were invited to express an opinion on the proposal. The association produced a memorandum showing that the foundation of such a company would be an unprofitable venture and as there was also a good deal of foreign, notably Italian, opposition to the scheme, it fell through. The same fate overtook a Bulgarian proposal that a new reinsurance company should be founded for all the Balkan countries together.

### Croatian Insurance Young

"Compared with the western countries, insurance is comparatively young in Croatia. The oldest company is the Croatia, which was founded in 1884 on the basis of a guarantee of kr. 200,000 by the town council of Agram. It has since developed into a sound and well-managed company. The Hrvatski Radisa (Croatian Labour) and the Napredak (Progress) also transact some insurance business, but we have no record of these companies. There is also a new insurance company, the Domovina (Fatherland), founded since the Germans established Croatia as an independent state. Otherwise the insurance business was mainly transacted by foreign and by Serbian and Slovenian companies. The Italians were early in the field, the Assicurazioni Generali commencing business there in 1840, the Riunione Adriatica also making an early start.

"With the unconditional surrender of Italy Sept. 8, 1943, the Italian resistance to the Croatian plans collapsed and the new reinsurance company was founded. Its sponsors decided to overlook the question of remunerativeness in order to save export of foreign currency."

### Promotions Made in Aetna Life Organization

The following promotions were announced following the annual meeting of the Aetna Life group:

P. L. Dickinson, assistant secretary personnel department Aetna Life and W. R. Bland, assistant secretary life department.

Leslie Sanders becomes assistant secretary Aetna Casualty and assistant secretary accident and liability department of Aetna Life.

R. W. Criswell was named assistant secretary fire department of Automobile.

J. W. Jackson was appointed field supervisor casualty claim department of Aetna Casualty.

E. A. Giddings, assistant secretary of Aetna Casualty and of the accident and liability department of Aetna Life, retired after nearly 42 years service.

## More Local Car Financing Seen After the War

Well informed automobile insurance men predict that large finance companies will not cut the swath in insurance that they did before the war. These men claim that there will be far more local financing. They declare that local banks will establish finance departments for automobile purchasers and there will be small local finance companies organized. In this way the business will be handled closer at home and local agents will have an opportunity to get a goodly share.

Most of the large finance companies cause more or less dislocation in the local agency field. Even the large insurance companies see the writing on the wall.

In spite of the present conditions a number of companies find their automobile premiums have increased. This is due to the most part to people who have not been insuring, but now prizing their cars more highly they are taking out insurance. Some of the company executives claim that a large number of local agents made a big mistake in not

following up finance expirations. Most of these financed cars are now being insured through agents if solicited. Had they been able to secure a list of owners of financed cars they could have been cashing in and getting their insurance when that provided through the finance company channels expired.

### Automobile Decisions in the Higher Courts

The Texas court of civic appeals decides a case, Reeves et al. vs. Pittle, where the negligence of the driver of a school bus was a factor. The plaintiff was injured when, as she stepped from a school bus, which had been stopped in the middle of the road, she was struck by a passing motorist. The court entered judgment against the driver of the bus and the surety on his bond, finding the driver negligent in stopping the bus in the middle of the road, in failing to keep a proper lookout and in letting plaintiff out of the bus under the circumstances. The negligence of the driver of the passing car was a new and independent cause of the accident such as to amount to the sole proximate cause, the court held. The child is entitled to recover under the bond and judgment in her favor is affirmed.



## Highlights in Insurance History

The first insurance stock companies, 1720, grew out of the English people's resentment against dishonest underwriters. There were so many private Houses of Insurance they were considered public nuisances, and lambasted in newspapers, pamphlets and broadsides, for their deceitful practices. Their failure to make good the losses of ships and cargoes sunk or captured by the French during the great sea disaster of 1693 spurred the organization of the stock companies. The Bubble Act of 1720 gave the death blow to the dishonest "Bubble Companies," while the stock companies weathered this upheaval. Insurance Companies of today realize that Trustworthiness is their most valuable asset.

For 45 years the NATIONAL UNION and BIRMINGHAM FIRE INSURANCE COMPANIES have been building up confidence and satisfaction among policyholders, through intelligent and honest consummation of contracts and claims.

## National Union

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## SUBURBAN CASUALTY COMPANY PIONEER FIRE INSURANCE CO.

EDWIN F. DEICKE  
President

"Suburban"  
Founded  
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## EDITORIAL COMMENT

### Professional Responsibility

Two insurance commissioners, Harrington of Massachusetts and Fraizer of Nebraska, took occasion at recent meetings to emphasize their belief that most of the complaints reaching their departments would not arise if the agent sold the policy properly. The chief cause, both indicated, is misunderstanding at the point of sale because the agent fails to make clear to the buyer the limitations of the contract.

Their comments suggest that the public not only would accept but is anxious to get from the agent insurance selling of a professional quality. The doctor, lawyer or dentist does not hesitate to impart bad news to his client, on the basis of the facts. One of the impelling reasons for consulting him is the client's confidence that the advice he gets will be honest. Telling a prospect of the limitations of a policy may take courage, but it does build a good, firm foundation, and there is no evidence to show that it materially discourages the purchase of insurance.

Perhaps it would help if agents did not think of limitations as such but regarded them, as they generally are, boundaries to the contract, which must, after all, end somewhere. Also, since

the contract is not a visible piece of merchandise, but is a promise to perform at an unknown future date, the purchaser can hardly be expected to measure fully its quality and extent at the time of sale, as with an article that has physical proportions.

It might also help if the agent looked on his role as that of adviser-salesman, possessing interpretive as well as creative functions. He is in the position of a lawyer giving expert opinion on the strength and weakness of a contract—with the difference that by custom he is in general expected to find the people who need his service rather than waiting till they call.

Judging by observation, the public is ready to be sold on the basis of candor. It is possible that there are no longer any important lines of insurance that can be classed as specialty items, if they ever could, though some agents may still be specialty salesmen. Many agents recognize the responsibility of telling the full story, and it is doubtful that in doing so they reduce the chances of making a good sale. The public perhaps has gone that far, and it only remains for the rest of the agents to catch up with their clientele.

### Defending the Business

When members of the insurance industry appear before other industry and business groups and present a spirited defense of insurance they are performing a real service for the business in the field of public relations. Such an incident occurred recently in St. Louis when at a meeting of aviation interests E. L. Stephenson of Associated Aviation Underwriters, James R. Graham of U. S. Aviation Underwriters and Jules B. Guinnote of Aero Insurance Underwriters met some vigorous criticism of aviation insurance with a counter attack whose logic and force were inescapable. In answer to the charge by banking representatives that aviation insurance costs are so high it may be necessary for those interested in the aviation business to form their own insurers, Mr. Stephenson replied that a 40% markup between manufacturer and retailer is small indeed compared with other business operations in or out of the aviation field. He added that banks buy money at 2% and sell for 12%, a markup of 600%.

The chief complaint respecting high aviation insurance rates has been directed against the hull cover, and Mr. Graham produced figures showing

losses well over 100% in this category. Mr. Guinnote suggested that because insurance owners can't take guests down to the recreation room and show off their policies, it is sometimes hard for assured to feel pride of ownership and easy to conclude that insurance is too expensive because they haven't had a loss.

This is the kind of public relations work that means something. It is timely and made before the type of men who mold opinion in and for their own industry. "Public relations" is little more than an abstraction, expressing only a vague feeling of general good will, until expressed in concrete terms, in this instance as a direct, effective response to specific criticism. The effects are so much more lasting that spokesmen prepared to meet criticism and complaint ought to welcome opportunities to get in the arena.

The insurance business has accepted unfair criticism for many years without defending itself. Its representatives either did not know the story or were apologetic and afraid to tell it. They have been especially hesitant to hit back at the critics on the point of markup.

It is unfortunate that that the prod-

uct the insurance companies and agents sell is money, the figures of the business are public and therefore its markup is very apparent. An insurance company's claims paid should be compared to the cost of raw material, parts and supplies ex-labor in any manufacturing operation. Even if labor be included, it is doubtful if any manufacturer's production cost even approaches 50 or 60% of the selling price and 10 to 25% is probably far more typical. Everyone in business knows that it costs money to manage, distribute, sell and service a product, and they make no apologies for 100% to several hundred percent markup in their businesses, yet they criticize insurance for a markup of 40 to 50%.

Insurance buyers, according to A. M. Schmidt, insurance manager of Johns-Manville Corporation, believe there must be something wrong with a system under which the buyer must spend 50 cents to get back 50 cents. This is, he recently stated, one of the criticisms of insurance which those in the business should either confirm or explode.

Yet Mr. Schmidt would undoubtedly be quick to admit that a Johns-Manville roof, as excellent a product as it is, has little or no value unless it is installed on a building—until it is sold and serviced to do the job for which it was created. An insurance policy has no value, despite the fact that it may be backed by large assets in a high grade company, unless it is sold and serviced—until it is applied to fit a particular need and thus give an assured a guarantee of security and of indemnity in event of loss. Even a

self insurer cannot handle the job of risk taking for nothing.

The agent, one of whose most distinguishing characteristics is that he must know a good deal about a number of businesses in which he has assured, should not find it too difficult to learn the markup percentages in those businesses and to use them effectively in meeting criticisms of insurance. He is thus explaining insurance in terms of the business in which the critic himself is engaged.

This does not mean that he should constantly be looking for a fight. That certainly is not necessary. But he should be prepared to defend himself and the business whenever the occasion arises, and for that purpose have at his fingertips the information with which to do it promptly and with assurance. It is a dangerous habit to be an amiable yes man when someone on the outside tells him what is wrong with his business and then pass the blame on to some other section of the industry such as the company, a bureau or the state insurance department. On the surface he is admitting the criticisms are justified. Actually he is unprepared to defend it, and the criticism stands by default. It amounts to a plea of nolo contendere.

A policy of this kind does not lead to the assumption that the business is not in certain respects open to criticism or susceptible to improvement. On the contrary a thorough study of its defense is probably the only sound way to determine its weaknesses, which certainly is the first step toward any self improvement.

## PERSONAL SIDE OF THE BUSINESS

Harold V. Smith, president of Home, has been elected a trustee of the Georgia Warm Springs Foundation, of which F. D. Roosevelt is president.

A. O. Kelley, a partner and a vice-president of the S. T. Morrison & Co. local agency of Iowa City, has been elected a director of the Iowa City Building & Loan Association, which is the oldest such organization in the city. He has also been appointed chairman of the Johnson county war price and rationing board. Mr. Kelley until four years ago was special agent for U. S. F. & G. at Des Moines.

H. Clyde Edmundson, vice-president in charge of the Pacific department of America Fore, is now a member of the "Old Guard." He has been with Niagara Fire since 1920, when he became state agent at Minneapolis. When Niagara became affiliated with America Fore, Mr. Edmundson was agency superintendent at Niagara's home office handling western department business. He was transferred to Chicago, where he remained until 1938, when he was sent to San Francisco. In May of that year he was made assistant secretary and in 1939 he became vice-president.

Mr. Edmundson started in insurance

in 1911 as special agent of Scottish Union & National in Denver. Later he was transferred to Spokane, Wash., where he was state agent supervising Pacific northwest. He is a past president of the Pacific Board and is now chairman of the Pacific regional advisory committee of the Factory Insurance Association, on the executive committee of the Fire Companies Adjustment Bureau and on the Pacific Coast committee of the National Board.

Commissioner Larson of Florida had intended to attend the meeting of the executive committee of the National Association of Insurance Commissioners at St. Louis but was kept at home because Mrs. Larson was compelled to undergo a serious operation.

Benjamin Zweig, head of the Waidner-Zweig agency of Chicago, is vacationing at St. Petersburg, Fla.

Lt. Col. Winston Wheeler, formerly of Wheeler, Kelly, Hagny of Wichita and son of Howard Wheeler, president, has been called to Washington, D. C., as special assistant to the chairman of the board of the Smaller War Plants Corporation, to assist with financial terminations and readjustment matters. He first served as assistant technical execu-



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tive in the office of General Vaniman, commandant of Wright Field, Dayton, O., and later was transferred to the western district of the air technical service command, serving as technical executive, readjustment executive and deputy commander. To assume his position with the SWPC, Col. Wheeler has been placed on inactive status by the War Department.

Henry L. Culver, 90, local agent at Pewaukee, Wis., one of the oldest active insurance salesmen in the nation, is confined to a hospital in Waukesha, Wis., with injuries received when struck by an automobile. He has represented Home more than 60 years.

DEATHS

Veteran Michigan Agency Leader Dies in Lansing

O. A. Jenison, 79, veteran Lansing, Mich., local agent, died at his home there after a long illness. Mr. Jenison, who had participated in a limited way in agency activities with his son, Austin, up until his final illness, was one of the organizers of the Michigan Association of Insurance Agents and served as its president in 1908. He had entered the agency field in 1898 as a partner of the late George Dyer and J. Victor Barry, former Michigan commissioner and sub-



O. A. JENISON

sequently for many years a Metropolitan Life vice-president, in the Dyer-Jenison-Barry Company, remaining with that agency until 1934 when he retired from active business for a time. Later, however, he formed a new agency with his son but, because of failing health, was not particularly active.

Widely acquainted in insurance circles, Mr. Jenison was equally well-known in many other branches of business activity and was especially active in promoting the growth of Lansing as an industrial center. As secretary of the Lansing Business Men's Association, forerunner of the present Chamber of Commerce, he was instrumental in getting back for Lansing the nation's oldest automobile-manufacturing firm, Oldsmobile. R. E. Olds, its founder, had started the business in Lansing but moved to Detroit. He was induced to return when his Detroit factory burned and several Lansing citizens, headed by Mr. Jenison, offered him a factory site. Mr. Jenison also helped organize the old Prudden Wheel Company, which was the nucleus of the present Motor Wheel Corporation. He was an officer or director of several other industrial and business concerns.

L. A. Barley, retired chief engineer of the Mountain States Inspection Bureau, died in Denver following a brief illness.

Henry W. Williams, 73, senior partner in the agency of Williams, Manny, Stevens & Engstrom, Rockford, Ill.,

died at his winter home in Umatilla, Fla., following an illness of several months.

Mr. Williams opened his own agency in 1896 at Rockford, after experience with the old Rockford Fire and subsequently with American after it purchased that company. Later the agency became Williams & Wormwood when Frank F. Wormwood, Jr., joined the firm. Dwight Manny entered the firm in 1913, Victor B. Engstrom in 1924 and Webb B. Stevens in 1930.

Mr. Williams was one of Rockford's picturesque citizens. He invariably wore a flowing windsor tie and had a bantering manner. He was an authority on snakes and other reptiles and studied them from his home in Florida.

Harry M. Brown, 74, for 40 years local agent at Neenah, Wis., died at his home there after an illness of a month.

Joseph F. Herburger, 69, cashier of Dubuque Fire & Marine, died at Mercy hospital in Dubuque after an illness of six weeks. He had been with the company more than 40 years.

John Schurmeier, 85, local agent in Boonville, Ind., for nearly 50 years, died at a hospital in Evansville. Some years ago he served as a member of the Indiana legislature.

Earl Guild, Shawnee, Okla., local agent, died on his 71st birthday after a prolonged illness. His daughter, Beulah Guild, who has been managing the agency since her father's illness, will continue it.

Mrs. M. N. Hendrickson, supervisor of filing in the Pacific department of the Loyalty group in San Francisco, was killed when struck by an automobile while on her way to work.

James G. Martin, 43, manager of the life insurance department of the Engelhard & Co., agency, Chicago, died in St. Joseph Mercy Hospital, Aurora, Ill. He had been with the agency for about two years, but has been ill for some months. Previously he was with Northwestern Mutual Life and Bankers Life of Iowa at Aurora and Waukegan, Ill. Engelhard & Company represents United States Life as general agent.

Joseph S. Kula, member of the fire



"AND I WAS FOOL ENOUGH TO LET HIM TELL ME FIRE INSURANCE WOULD REPLACE OUR HOME I'D LIKE TO SEE HIM SLEEP UNDER THET."

insurance engineering department of Marsh & McLennan at Chicago, died unexpectedly. He was a graduate of the fire protection engineering course of Armour Institute, now known as the Illinois Institute of Technology, and had been with Marsh & McLennan 24 years.

Upon graduating from college in 1917, he entered the armed forces and became an officer in the field artillery.

Mr. Kula traveled extensively for M. & M.

He is survived by Mrs. Kula and four children. His two sons are with the armed forces overseas.

J. C. Bourland, who had operated an agency at Marion, Ky., since 1901, died in a hospital at Paducah, Ky., at the age of 69. He suffered a stroke about two years ago and had been largely incapacitated since that time.



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MANAGER

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Losses paid exceed Three Hundred Million Dollars



In the February Issue of the American Home and the February 10th Issue of the Saturday Evening Post this selling message will reach many millions of prospects for Employers' Group Agents



## The Bedtime Story that Woke Pop Up



Pop held the kiddies spellbound with the way he read *The Three Bears* . . . "Someone's been sitting in my chair and has broken it all to pieces . . . Someone's been tasting my porridge and has eaten it all up."

Suddenly Pop was spellbound. Startling thoughts ran through his mind . . . "Someone's been fooling around with my window and has smashed a pane of glass . . . Someone has broken into my house and has stolen clothes, money, jewelry, silverware . . . Good Grief! It really could happen!!"

Pop lost no time in going to his nearest Employers' Group Agent . . . *The Man with the Plan* . . . for some sound insurance advice . . . "What you need," said *The Man with the Plan*, "is the new Employers' Group Family Theft Policy . . . a complete, comprehensive, low-cost policy including many new features that insure better protection against loss by theft of personal property belonging to resident members of your family."

*The Man with the Plan* also made a thorough analysis of Pop's fire and casualty insurance and

made up a plan that showed how simple and economical it was to have a foolproof protection program . . . one that insured freedom from worry over financial loss.

Pop went for that plan like a ton of bricks. And a few nights later, as he read *The Three Little Pigs*, he couldn't help but think how wonderful it was to sit safely in a solid brick house of modern insurance protection.

*The Man with the Plan* brings you news by Cedric Foster . . . Sunday evenings over a national radio hook-up. Consult your radio page for time and station.



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Surety & Fidelity Bonds—Fire & Casualty Insurance

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AMERICAN EMPLOYERS' INSURANCE CO.

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## Accident-Health Cover Reviewed in Layman's Language

### Interesting Presentation Made in "Nation's Business" Article

An interesting and valuable presentation of accident and health insurance from the layman's standpoint, written by a layman in layman's language, was featured in the February issue of "Nation's Business." The author, C. Lester Walker, is a well-known free lance writer, who did all the research work for the article, "on his own." He says that accident and health is now "the fastest selling number on insurance companies' shelves," both in dollar volume and in number of persons insured. Stating that today "more than 400 companies carry protection on 40 million citizens," he says this wide acceptance is a surprise to many American business executives. He quotes one of them as saying:

"I never dreamed of the job that private companies are doing. The Beveridge plan in England and the Wagner bill recently proposed in Congress for federal health and accident insurance led me to think that perhaps governmental protection was needed. But 40 million persons already covered by private companies! Whew!"

### Figures Called Significant

Mr. Walker says these figures are significant in terms of this country's future. "They may indicate that the private companies are doing the job so well that compulsory government health and accident insurance—despite the intentions of the Wagner bill—will never be necessary here."

He divides accident and health insurance in general into personal and group, defining the former as "the kind you buy for yourself. The contract is between you and the company. It takes a higher rate than the group type, because the risk is greater and the cost of selling higher, but its growth in recent years has been miraculous."

Mr. Walker stresses very strongly the "versatility" of the accident and health companies and the wide variety of their coverage, listing a number of unusual forms which are issued by various companies. One point he stresses which the companies may not altogether appreciate is the appeal of lifetime coverage.

### Appeal of Group Coverage

In regard to group coverage, after reviewing briefly the basis on which it is written he says that these group health and accident contracts take many forms, "and it is their tailor-made aspect which appeals to the business man. He can get what he wants in terms of coverage and cost; an insurance arrangement practically made to order for the needs of his employees." He says also that the simplicity of putting any of these private company group plans into operation—even the larger ones—appeals strongly to the efficiency minded business man. He cites the case of the Texas Company, with 20,000-odd employees all over the country. Through one private insurance carrier it got a uniform plan which works in every state.

He takes up in some detail the plans of Hoffman-LaRoche, Inc., Nutley, N. J., manufacturers of pharmaceutical specialties, and the Lockheed Aircraft Corporation, Burbank, Cal. In connection with the Lockheed plan he refers

## Four Ohio Farm Bureau Insurance Officials Resign

Four of the top executives of the insurance companies affiliated with the Ohio Farm Bureau Federation announced their resignations this week. They are: L. A. Taylor, who has been vice-president and secretary of Farm Bureau Mutual Life, Farm Bureau Mutual Automobile and Eureka-Maryland Assurance and secretary of Farm Bureau Mutual Fire; L. J. Bennett, who has been assistant secretary in charge of sales for all of the insurance companies; R. W. Richert, superintendent of agencies, and Eugene L. Hensel, special counsel.

tion with the Lockheed plan he refers to the medical care provision, not contained in most group contracts, and then launches into quite a detailed description of the medical expense coverage provided by the North American Accident in cooperation with the Winnebago County (Ill.) Medical Society.

The possibility of group coverage for small businesses also is reviewed, with an illustration of what can be done for a garage with 18 employees.

As for the future, he says the companies are preparing to offer even better coverage—"prices that fit various pocketbooks, even down to short-term policies effective for only a few weeks."

"A plan has been proposed for general adoption of a standard group disability policy, a simple, clean cut contract with few exclusions and no frills. Although there is divergence of opinion on this idea, many insurance men believe if such a contract were adopted as a model, a great sales effort could be put into what is known as semi-group insurance; that is, contracts for professional men, independent workers and even groups as small as five employees of one employer."

"If this were done, and done successfully, the government contention that the insurance industry under private enterprise has failed to provide adequate protection to the masses of the people would, in great measure, fail to stand."

As for the market for future business, Mr. Walker says that there are, in the words of one insurance writer, "more than 11 million prime prospects: soldiers and sailors returning from the war to civilian life—uncovered by disability insurance in their military careers."

"Eleven million reasons why the health and accident industry looks to the post-war era with confidence!"

## Finds Mules on Payroll in Group Solicitation

ASHEVILLE, N. C.—In installing a group accident and health insurance plan at the American Enka plant near here, Clanton Walton, Provident Life & Accident, had two unusual prospects—a team of white mules owned by an employee and carried upon the plant payrolls as the "Ballard Team."

When cards for the solicitation by Mr. Walton were prepared, Ballard Team was right among them. Witnesses say that in making his close, Mr. Walton wound up like this: "If you guys don't take this Provident protection, you're just a couple of jackasses!"

Interestingly enough, the Ballard Team has a social security number, and is also covered by the state unemployment compensation provisions.

## Ohio Casualty Buys West American

### Identity of Los Angeles Company to Be Retained —Sloneker President

LOS ANGELES—Purchase of West American by Ohio Casualty was announced by President Harold Bayly of West American. The sale involved a cash payment of \$1,142,000, along with other financial commitments.

President Howard Sloneker of Ohio Casualty is in Los Angeles and concluded the arrangements. Ohio Casualty now is owner of 29,656 shares of common stock, of a par value of \$10, out of the total 30,000 shares outstanding.

Following the transfer of ownership, Howard Sloneker was elected president; A. E. Benson, vice-president; J. C. Hook, secretary-treasurer, and these officers with Henry Dockweiler and John Lynch constitute the new board.

Ohio Casualty plans to operate West American as a separate company.

West American is authorized to write surety, liability, automobile and miscellaneous lines of insurance.

### Hookup with Auto Dealers

West American in previous years had a large business with automobile dealers and until 1942 confined its writings exclusively to the automobile physical damage coverages. Its automobile collision loss ratios became very high and commencing late in 1943 it canceled all its auto dealers agency appointments and canceled out much business. West American was owned by Mr. Bayly and his brother, R. D. Bayly but they split up and Harold Bayly took West American and R. D. Bayly took over Commercial Discount Company.

The brothers also are members of the firm of Bayly, Martin & Faye, Inc., and Bayly, Martin & Faye of California, the latter in San Francisco.

West American as of Dec. 31, 1943, had assets \$1,724,411, premium reserve \$473,922, capital \$300,000, net surplus \$585,812, premiums written \$979,150, premiums earned \$1,087,924, losses incurred including adjustment expenses \$693,114, underwriting expenses \$431,347.

### Now Three Companies in Group

The Ohio Casualty group now consists of three companies, the third being Ohio Insurance Company, which is a fire insurance organization.

West American has engaged in specialty lines and confined its operations to the Pacific Coast. Under the new management, it is contemplated that the operations will be extended as rapidly as possible to other states. The general underwriting policies of the Ohio Casualty will be reflected in future operations of West American and it will become active in all lines for which it is chartered.

At the end of 1944, West American had assets of \$1,542,586, surplus to policyholders of \$974,217.

It had gross writings for the year of \$796,000. Earnings after reserves for federal taxes, amounted to \$88,000, or about \$2.73 per share.

Ohio Casualty at the end of 1944 had assets of \$13,759,651, surplus to policyholders of \$4½ million.

### Membership Fees on Renewals

At the insurance commissioners meeting at St. Louis there was some informal lobby discussion about the reported practice of certain accident and health companies collecting membership fees upon renewal of policies as well as at the outset. Several of the commissioners expressed indignation on this point.

## State Farm Loses, But Court Dodges Commerce Issue

### U. S. High Tribunal Finds for Wis. on Mem- bership Fee Matter

WASHINGTON—Affirming the Wisconsin supreme court's decision in No. 115, State Farm Mutual Automobile vs. Morvin Duel, Wisconsin commissioner, the U. S. Supreme Court overruled the company's appeal which was based on three constitutional grounds. The court takes the position, however, it may not pass on the question whether the Wisconsin law as applied violates the commerce clause of the constitution, in the light of the court's decision in the S. E. U. A. case.

Of the other constitutional questions argued before it, the Supreme Court says in an opinion by Justice Douglas: "We think neither of the two has merit." These points were that the state law violates the due process clause of the 14th amendment and the full faith and credit provision of article IV, section 1 of the constitution.

Pointing out that the contention that the Wisconsin law violates the commerce clause was not raised in the courts below, the court says it was not passed upon before the case reached it June 1, 1944. It was June 5 that the court decided in the S. E. U. A. case that the insurance business is commerce.

### State Farm Not Prejudiced

Recognizing that the S. E. U. A. decision was a "supervening event arising in the courts of this litigation," the court does not think the company "should be prejudiced by the fact that the decision came too late for it to obtain a ruling by the Wisconsin court."

Calling attention that customary procedure has been for it to vacate court judgments where there have been supervening events altering the basis of judgment and to remand the case for consideration by lower courts in light of changed circumstances, the court says it would not hesitate to adopt that procedure here, "in the interests of justice if it appeared that otherwise appellant would be foreclosed for an adjudication of the issue."

However the court points out: "Appellant does not show that it would be. Respondent assumes in its brief that appellant will not be foreclosed." And the court thinks that assumption well founded for reasons stated in the opinion. One of these is that the company has pending in Wisconsin courts a suit in respect to the license year commencing May 1, 1944.

The company had been denied license by Wisconsin authority for failure to comply with a requirement that it set up reserves based in part on its membership fees collected throughout the country.

Concluding the majority opinion Justice Douglas says:

"We conclude that appellant is not foreclosed under Wisconsin procedure from obtaining a determination in the Wisconsin courts of the commerce clause question either in the present suits or in the other pending one. Accordingly we do not think it is necessary to vacate the judgment below in order

(CONTINUED TO PAGE 22)

## See Mr. Oliver for Your Personal Liability Policy

Paul Oliver of the Bartholomay, Clarkson agency, Chicago, is exhibit No. 1 proving that the hazards covered by a personal liability policy are more than weird hypothetical disasters dreamed up by sales promotion departments. The only deficiency of the contract, Mr. Oliver avers, is that it doesn't cover the assured's embarrassment.

Mr. Oliver has been doing some heavy, handy-man work at his home, and last Friday he bought in Chicago a dozen rolls of wallpaper and a gallon of paint, which he proceeded to carry towards his suburban home. Unable to find a taxi he boarded a crowded street car of the kind that one enters at the front and goes one's way to the exit in the middle.

Mr. Oliver succeeded in battering his way to the exit, as he tried to extract the fare from his pocket, the paint bucket fell, jarring open the top somewhat. Mr. Oliver undertook to pick it up but dropped it all over again. The scene was reminiscent of the old Keystone comedies. The paint sloshed over the conductor, several of the lady customers, who turned ferociously upon Mr. Oliver, and a generous quantity of the paint decorated our assured as well, thus bringing the personal property floater into play, too.

The conductor ordered everyone out of the car while blockaded street cars clanged and truck drivers cursed. Mr. Oliver left his credentials with the conductor and sneaked into his suburban train with his 12 rolls of wall paper and a pint of paint on his pants and shoes.

## Train Disabled Veterans in Motor Car Driving

WASHINGTON — Amputees and other disabled veterans are being trained at Walter Reed military hospital here as instructors in motor car driving. Twenty-five were recently graduated to take up training of other disabled men in driving at seven amputation centers of the army hospital service throughout the country.

Disabled veterans are reported fearing that states or local governments may pass restrictive laws, for instance, requiring special gadgets on automobiles driven by amputees. They say they don't need such gadgets.

## Counsel Steering Group Meets in New Orleans

NEW ORLEANS — The 3-day midyear meeting of the executive committee of the International Association of Insurance Counsel was held here with F. B. Baylor, Lincoln, Neb., president, in charge. Thirty applications for membership were approved, bringing total membership to 1,310. If restrictions are relaxed the counsel plan to hold the annual meeting at the Edgewater Beach Hotel, Chicago, Sept. 5-7.

For the 8th consecutive year the full membership of the executive committee was present.

## Commercial Casualty Sues to Retain Iowa License

DES MOINES—Commercial Casualty has filed suit in district court here for renewal of its license in Iowa, which expires April 1.

It states that the Iowa commissioner has questioned the legality of its plan for writing group accident and health insurance and threatened to refuse a new certificate unless the company discontinues the practice complained of.

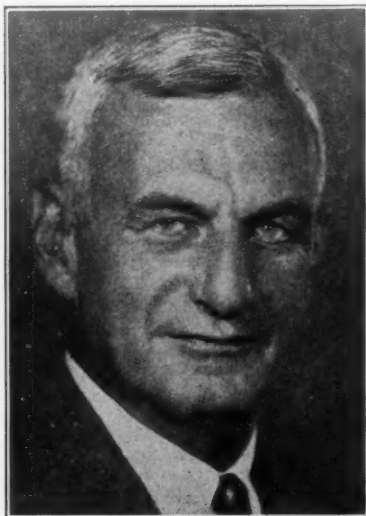
The company contended that its plan does not violate the Iowa discrimination and rebate statute, which it argued applies only to life or endowment policies.

## Honor Brainard at 40 Year Mark

HARTFORD—Morgan B. Brainard, president of the Aetna Life group, was honored in a surprise ceremony Monday night on the eve of his 40th anniversary with the organization.

Following his annual custom, Mr. Brainard was host to officers of the companies at a dinner at the Wampanoag Country Club, but following his customary informal greeting to them, which has always been the only address made, the program took a new turn.

Secretary Luman K. Babcock in a brief speech paid tribute to the contribu-



MORGAN B. BRAINARD

tions Mr. Brainard has made to the progress of the companies, as junior officer and as chief executive, and then in the name of the officers presented him with a large sterling silver tray.

Since Mr. Brainard joined Aetna as a young attorney not long out of Yale law school, the organization has had a sound, steady growth despite wars, booms and severe depressions.

Mr. Brainard has seen assets grow from \$73 million to more than a billion.

He has seen life insurance in force grow from \$237 million to more than \$6 billion, and has seen his organization enter the group field so successfully that its group policies now cover the lives of more than two million. He has also seen the organization broaden out until it now writes more than 215 different forms of life, casualty, bonding, fire and marine insurance.

After graduation from law school, Mr. Brainard began practice in the office of Lewis Sperry, for many years Aetna Life general counsel. In 1901 he became a director, succeeding his father, and in 1905 was elected assistant treasurer. In 1907 he became treasurer, and was also made secretary and a director of what was then Aetna Accident & Liability, now Aetna Casualty & Surety. Next year he became treasurer of that company and in 1910 vice-president and treasurer of Aetna Life.

In 1913, when Automobile Ins. Co. was organized, he was named vice-president and a director. In 1922, on the death of Governor Morgan Bulkeley, he became president of the three Aetna Life companies, and when Standard Fire was acquired the next year, he also became its president.

The development of Aetna Life into a great multiple-line insurance organization, begun by Governor Bulkeley, has been carried to full fruition by Mr. Brainard.

## Los Angeles Producers' Meeting

LOS ANGELES—The Accident & Health Producers Association will hold a meeting Feb. 16 at which the nominating committee will make its report.

## Broaden Wash. State Auto Fund Measure; Change Boiler Bill

SEATTLE—Action on insurance measures before the Washington legislature reached a high pitch. The state automobile liability fund bill which struck a snag in the senate judiciary committee has been revamped. It still provides for payment of a \$5.25 annual premium by all motorists, unless they file a standard limits p.l. and p.d. policy with the state license director. However, the new measure makes the state fund liable to pay all unsatisfied judgments for personal injuries as well as property damage, with limits of \$5,000/\$10,000, whereas the first measure covered for a single limit of \$5,000 public liability, with no reference to property damage. Neither bill affords insurance protection for the so-called insured as the judgment guaranty fund would be assigned subrogation rights against the judgment debtor.

The new bill has been referred to the judiciary committee. There was a strong possibility that the bill will reach the floor. A public hearing is scheduled for this week.

The senate bill abolishing the common law defense of contributory negligence and substituting the rule of comparative negligence, appears to have strong backing and was voted out of the senate judiciary committee with a "do pass" recommendation after a public hearing. Judge W. D. Askren, Payne Karr and Fred R. Boynton, Seattle attorneys, spoke against the bill. The vote was six to five.

The state boiler inspection system bill in the senate will probably be amended to exempt from payment of an annual license fee boilers inspected by municipalities and insurance companies, provided such inspections are made in accordance with the regulations prescribed by the department. Municipal and insurance company inspectors would have to meet state qualifications.

The house bill repealing the guest passenger statute has passed second reading and has gone to the rules committee.

A house bill provides that unliquidated claims in damages based on tort shall survive the death of the tort-feasor.

A senate bill defines as extra-hazardous employment service work in hotels, clubs and apartments, thus bringing workers in these categories under the monopolistic workmen's compensation act.

A senate bill makes all hospitals, charitable and otherwise, liable for negligence or other torts, whether patients are admitted free or for compensation.

## Vasen Elected President of Commercial Standard

Karl Vasen has been elected president of Commercial Standard. He has been with the company since its inception and the past year has served as acting president. He formerly was secretary-treasurer.

W. H. Wright was elected vice-president of the company.

## Form Vogel & Bunge Law Firm at Chicago

Leslie H. Vogel and George C. Bunge have formed the law firm of Vogel & Bunge in Chicago with offices in the Borland building there. Frank H. Masters, Jr., will be associated with the firm. Members of the firm are well known in the insurance law field.

Mrs. Ethel Shontz, manager of North American Accident, will report on the meeting of the National association in Omaha, and detailed information will be given on the accident and health educational course.

BOSTON—A compulsory automobile property damage bill was supported by several legislators and by a few aggrieved car owners in a hearing before the joint Massachusetts legislative committee on insurance. It was opposed by Counsel John W. Downs for the stock companies. While not unconstitutional, the bill would tend to make car owners more claim minded, he declared.

Commissioner Harrington and all others heard favored a bill which would permit officers, directors, employees and agents of companies to pay certain taxes and fees which might be required by federal and state laws without being subject to personal liability because of such payments, declared an emergency measure in view of the uncertainty caused by supreme court decisions and conflicting state and federal laws. Commissioner Harrington stated the department was reluctant to relieve directors of any companies of any part of their high degree of responsibility but felt the present situation justified such legislation as a temporary measure.

## Shelby Mutual Has Field Conference

SHELBY, O.—Field men and claim managers of Shelby Mutual Casualty have concluded a week's series of conferences at the home office here, with L. M. Dunathan, assistant secretary, in charge. Because of war conditions, plans for celebration of the company's 65th anniversary had to be abandoned, but one of the meeting days coincided with the anniversary date. At the only social event, a dinner at the Shelby Country Club, L. A. Dennis, president and general manager since 1928, was honored.

## Kottgen, O'Connor Speak

Practically every phase of underwriting, sales and claim work was covered at informal sessions. Shelby Mutual has made excellent progress in general casualty lines and much of the discussions centered about plans for post-war agency and coverage development. There were only two outside speakers, Hector Kottgen, New York, secretary General Reinsurance, the dinner speaker, and J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, who was discussion leader in a forum on coverage problems and prospective insurance developments. J. J. Crum, secretary of the company, was unable to attend the sessions because of illness.

## Safety Color Code Evolved

The American Standards Association has worked out a safety color code to create uniformity nationwide in the colored markings used to serve as a warning to employees of physical dangers to be avoided, to mark the location of safety equipment, and to identify fire and other protective equipment.

The code suggestions are being circulated in industry and business for suggestions. In 1927 the association unified traffic light colors on a national scale.

## Doctor Addresses Claim Group

The importance to insurance companies and industry of correct diagnosis in the appraisal of tuberculosis claims was stressed by Dr. Otto C. Schlack, medical director of the Cook county tuberculosis hospital in a talk before the Chicago Claim Association. Otherwise, he said, improper treatment may result. He showed 100 x-ray pictures illustrating the difference between tuberculosis and bronchiectasis, which are apt to be confused. E. O. Adler, Mutual Life, presided. Two amendments to the by-laws were adopted affecting membership. About 55 attended.



# Annual Financial Statement

## TRINITY UNIVERSAL INSURANCE COMPANY

DECEMBER 31, 1944

**ASSETS**

Cash in Banks	\$1,191,112.42
U. S. Government Bonds	3,258,649.83
State, County and Municipal Bonds	454,461.30
Miscellaneous Bonds	35,332.30
Stocks	3,229,912.86
First Mortgage Loans on Real Estate	139,288.70
Collateral Loans	208,000.00
Site for Company's Office Building	144,000.00
Other Real Estate	52,762.12
Premiums in Course of Collection	1,028,851.52
Premium Notes Receivable	210,721.73
Accrued Interest	17,697.78

Total Admitted Assets - \$9,970,790.56

**LIABILITIES**

Reserve for Losses and Claims	\$ 667,807.21
Special Reserve for Liability Claims	1,752,124.01
Reserve for Unearned Premiums	3,792,198.31
Reserve for Taxes	430,702.02
Reserve for Other Liabilities	191,314.04
Commissions Payable	306,064.73
All Other Liabilities	68,491.08
Capital	\$1,000,000.00
Surplus	1,762,089.16

Surplus to Policyholders - 2,762,089.16

Total - \$9,970,790.56

Bonds amortized. Stocks at December 1, 1944 values as required by the National Association of Insurance Commissioners.

## SECURITY NATIONAL FIRE INSURANCE COMPANY

DECEMBER 31, 1944

**ASSETS**

Cash in Banks	\$ 160,846.24
U. S. Government Bonds	400,755.50
State, County and Municipal Bonds	774,670.69
Stocks	89,400.00
Agents' Balances Receivable	89,148.54
Premium Notes Receivable	116,828.20
Accrued Interest	2,559.81

Total Admitted Assets - \$1,634,208.98

**LIABILITIES**

Reserve for Losses	\$ 47,864.76
Reserve for Adjustment Expenses	711.99
Reserve for Unearned Premiums	642,586.88
Reserve for Taxes	21,645.50
Other Reserves and Liabilities	13,627.99
Capital	\$500,000.00
Surplus	407,771.86

Surplus to Policyholders - 907,771.86

Total - \$1,634,208.98

**AUTOMOBILE • CASUALTY • FIRE • INLAND MARINE • FIDELITY  
and SURETY BONDS • COMPREHENSIVE LIABILITY • WORKMEN'S COMPENSATION**

**OFFICES**

**DALLAS • LOS ANGELES • SAN FRANCISCO • PORTLAND • SEATTLE • DENVER • TOPEKA  
CHICAGO • INDIANAPOLIS • CLEVELAND • COLUMBUS • LOUISVILLE • PHILADELPHIA  
PITTSBURGH • NEWARK • BIRMINGHAM**

EDWARD T. HARRISON, President

## Issue of Liability of Companies Up in Contractor's Case

The Oregon supreme court had before it the case of United States Fidelity & Guaranty vs. Thomlinson-Arkwright Company and Occidental Indemnity. This was an action on a bond which was executed by the Thomlinson-Arkwright Company as principal and the Occidental Indemnity as surety in favor of the Warren Company. The plaintiffs are the U. S. Fidelity & Guaranty and the General Casualty, that claim to be subrogated to the rights of the Warren Company. The principal on the bond was never served and the cause against the Occidental Indemnity went to trial before the court without a jury upon the stipulated facts, no testimony being taken. Judgment was entered for the answering defendant.

### Highway Contract Involved

The Warren Company contracted with the state of Montana for the improvement of a highway in that state, and the U. S. F. & G. and the General Casualty issued their separate policies to the company. The Warren Company let a portion of the work to the Thomlinson Company, that executed a bond through the Occidental Indemnity in favor of the Warren Company as provided in the contract. On that portion of the road where the subcontractor was working, the surfacing material raised a dust which resulted in an opposing traffic collision and personal injuries to certain occupants of the vehicles. Actions were brought by the injured person against both the principal contractor and the subcontractor. The insurers of both parties participated in the trial and settlement, all of them contributing to the amount paid out.

This action was brought by the principal contractor's insurers that were subrogated to the rights against the surety of the subcontractor under the bond to recover the amount they were forced to expend in settling and defending the actions. It was contended that the surety was required to indemnify plaintiffs' principal by reason of certain language in the bond which stated that the principal contractor would be saved from any damages growing out of the carelessness of the subcontractor.

### Orders Restitution from Surety

The higher court concluded that torts of the subcontractor were covered by the bond, and since as between the two contractors the subcontractor was primarily liable because of its own active negligence and the principal contractor was liable only because of a non-delegable duty which the law imposed, the plaintiff insurers were entitled to restitution from the surety. Therefore, the judgment for the surety was reversed and the cause remanded for the entry of a judgment for the U. S. F. & G. and the General Casualty.

## Approve Capital Increase of Aetna Casualty

Stockholders of Aetna Casualty have approved the increase in capital from \$3 to \$6 million by transfer from surplus. The 100% stock dividend will be made March 1, with Feb. 17 as the record date.

Directors intend to declare dividends on the new capital at the rate of 62½ cents quarterly, half the current rate, and at the year end to make a further distribution if earnings justify it.

Directors adopted resolutions marking President Morgan Brainard's 40th anniversary with the organization.

Illustrate your A. & H. sales talk with the "Pictograph", \$3.00 a copy. The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

## Claim Stability of Group Health Was Characteristic Till 1942, Beers States

WASHINGTON—Possibly the total number of employees in the U. S. covered under group health policies is in the neighborhood of 7,500,000, Henry S. Beers, vice-president of Aetna Life, said in his appearance at the conference of the U. S. Chamber of Commerce here on health insurance.

An extraordinary thing about the first 20 years of the group health business was the stability of the claim rates, Mr. Beers stated. The same basic gross premium rates remained in force from 1921 to 1937, and these rates consistently developed substantial margins for experience rating credits and dividends to policyholders. In 1937 rates were reduced by varying percentages up to 14 according to the plan of coverage, and these new rates continued to develop substantial margins for dividends and experience rating until war production got well under way about the beginning of 1942.

### Held Steady in Boom, Depression

The claim rate, he said, was materially disturbed neither by the boom of the late 1920s, by the catastrophic layoffs of the depression, by New Deal experiments in the 1930s, nor by the revived prosperity of defense production from 1939 to 1941. In other words, he said, group health insurance showed itself to be proof against the factors that have upset claim rates under workmen's compensation insurance, permanent total disability clause in group life insurance, permanent total disability clause in ordinary life insurance, commercial health policies, non-cancellable health policies and governmental health insurance programs.

A breakdown of disbursements by ages of benefit recipients showed that among male workers the largest amount for any single age group was collected by 353 men 57 years of age who obtained a total of \$49,971. The figures are from the combined experience of seven eastern life companies that specialize in group insurance and that insure about 5,500,000 employees as compared with 2,750,000 five years ago. The largest number of claimants for any age group, he said, as distinct from the amount collected, was in the groups of men 50 and 52 years old, each with 370 benefit recipients. In the groups up to 28 years there were considerably less than 200 claimants for each group, with only 33 in the 16 year age classification collecting benefits. But the graph of claimants rose from 28 up to 52 and then began to drop again. There were 285 benefit recipients who were 60, 265 aged 65, 125 aged 70, 45 aged 75, 11 aged 80, and 18 male claimants above that age.

### Women Workers

Among women workers collecting benefits the age picture differed considerably, reflecting a smaller number of elderly female workers. The largest amount for any single age group was collected by 598 women 25 years of age who obtained \$77,486. The largest age group of claimants consisted of 615 women 27 years of age. Unlike the men, most claimants were younger women and the largest number of those collecting benefits was between 19 and 40. Only 39 women above 70 obtained benefits, the oldest of them being 79.

Mr. Beers suggested that a large percentage of covered workers would not be considered good risks by private companies offering sickness and health insurance, particularly today when so many women and in some cases men have gone to work inspired by patriotic motives who ordinarily would refrain from working.

He added that in Rhode Island the experience suggests several recommendations for the benefit of any state contemplating a cash sickness insurance program. Taxes should be collected for a period of two years prior to the payment of benefits. What the rate of tax

should be depends largely on the number of covered workers in the state and whether it is desirable to tax the employer. The coverage of a cash sickness law should be the same as the coverage of the unemployment compensation law to facilitate tax collections and wage reporting, he said. Benefit rates should be the same as unemployment compensation rates. Cash sickness benefits should not be paid concurrently with unemployment compensation or workmen's compensation benefits. A waiting period of one week should be required for each period of illness, except in cases where the incapacitation is a recurrence of a previously compensated illness, he said.

## Discuss Casualty Rate

### Control in Michigan

LANSING—A committee representing all categories of the casualty field in Michigan was chosen to study the casualty rating bill designed by the stock and mutual organizations and to meet Feb. 21 with Commissioner Forbes on a Michigan version of this measure.

The committee consists of: L. J. Carey, Michigan Mutual Liability; Paul Layman, Standard Accident; L. P. Dendel, Millers Mutual Fire; Floyd Jacobs, Kansas City, representing out-of-state reciprocals; B. B. Bridge, State Auto Mutual, Columbus, Leo Robb, Detroit, American Automobile; George Carter, Detroit Insurance Agency; John Carton, Wolverine; William C. Searl, Auto-Owners, and Howard Brown, Detroit Automobile Inter-Insurance Exchange.

The group of some 70 adopted a resolution that it is "consensus of opinion of this meeting, in view of the recent Supreme Court opinion, that a casualty and surety rating bill is necessary in order that the state may retain the right to regulate insurance." Mr. Forbes told the group he would prefer creation of a rating commission, probably with the commissioner as a member, rather than be placed in sole control himself in any legislation adopted.

### Bill to Return WDC Profits

WASHINGTON — Senator Brooks of Illinois has introduced S.446 to provide for refund to War Damage Corporation policyholders, within a reasonable time after end of the war, of excess premiums, interest, and other profits and income on WDC policies above losses and expenses incurred. The refund may be on a pro rata basis, or may take into account minimum policy or other expense factors, or may be on the basis of policy expiration or term, as WDC, with approval of the secretary of commerce, may determine. WDC could make refunds before the end of the war, it is proposed, if continuation of war damage insurance is unnecessary, or if part of WDC funds is not deemed required to provide reasonable protection to policyholders.

### Advance Des Moines Officers

DES MOINES—S. T. McInerney, special agent of Hartford Accident, has been elected second vice-president of the Des Moines Casualty & Surety Club. Following the resignation of Forrest Riddell of U. S. F. & G., Ray Clearman, American Surety, was named president and Clair Ibsen first vice-president.

C. Moriarty, formerly with U. S. F. & G. and recently returned from Alaska, described activities in that territory.

### Ask U. S. Blanket Bond

WASHINGTON—A blanket bond to be secured by the Secretary of the Treasury to cover all government officials and employees required to give bond for faithful performance of duty, is proposed in a bill introduced by Rep. Norton, New Jersey. Premium would be paid by the secretary.

## Theater Owner Held Not Responsible for an Accident

The Louisiana court of appeals, parish of New Orleans, affirms the lower court in Mrs. Emily Master vs. Alsina et al. Mrs. Master alleges that on Nov. 16, 1939, she attended a performance at the Famous theater in New Orleans, that it was overcrowded, due to the fact that it was "bank night," at which cash prizes were awarded to the patrons by the management. The patrons were permitted to stand in the aisles and at the conclusion of the first performance and the drawing of the prizes she alleges she left her seat and while proceeding down the center aisle in making her way to the exit she was pushed down by some of the other patrons who were leaving the same time and as a result she suffered personal injuries consisting principally of a sprained thumb. She claims that the owner of the theatre was negligent in that he permitted the theatre to become overcrowded in violation of the municipal ordinance. The company carrying the liability insurance was made a defendant.

### Contentions Not Proved

Upon appeal for a judgment for the defendants, the higher court declares that the plaintiff failed to prove her contentions by a preponderance of evidence. The defendants proved that the theater was not overcrowded, considering the number of tickets sold and the capacity of the house. They also proved that three ushers were regularly employed, which was an adequate number for a theater of that size. The fact that the owner permitted a few persons to stand in the aisle is not determinative of liability since the violation of the statute had no causal connection with the accident, the higher court held. The plaintiff's injuries, the court determined, were due directly to the act of a third person who pushed her to the floor. The judgment of dismissal was therefore affirmed.

### Feb. 27 Service Cover Deadline

WASHINGTON—Feb. 27 has been set as a deadline for submission of plans and ideas by insurance interests for coverage of traffic worldwide in army transport command planes, it is reported at the U. S. Chamber of Commerce. Shortly thereafter William McKell, American Surety, who heads the insurance committee, is expected to arrange a conference of insurance people interested with ATC, war department, and possibly navy air transport officials with a view to working out details if possible.

### Ohio Court Jurisdiction Ruling

COLUMBUS — The Ohio supreme court upheld Inter-Insurance Exchange of the Chicago Motor Club in suing J. C. Wagstaff, who was involved in a collision of an assured of that carrier, in Van Wert county, where the accident occurred, although Wagstaff lived in another county. The carrier had paid a collision loss to its assured and sued Wagstaff under subrogation. Wagstaff had set up the technical defense that, since the motor club was not directly involved in the accident, it could sue only in his home county.

### Find City Needs P. D. Cover

STILLWATER, MINN.—When the city council of Stillwater took out public liability insurance a few years ago it thought it was giving the city adequate protection. But a defective manhole caused damage to a car and injuries to the owner, so that the council promptly ordered the insurance company to add property damage coverage.

Illustrate your A. & H. sales talk with the "Pictograph", \$3.00 a copy. The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.



# NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

## FINANCIAL STATEMENT

December 31st, 1944

### ASSETS

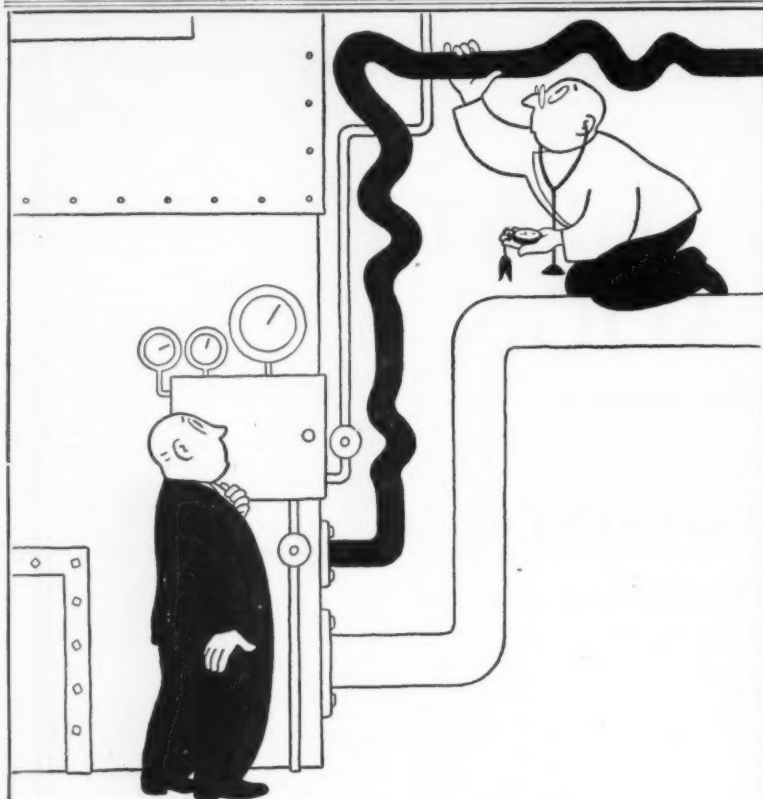
Cash in Banks . . . . .	\$ 2,422,462.37
Investments:	
Bonds of United States Government . . . . .	\$ 9,848,001.72
State and Municipal Bonds . . . . .	1,534,057.83
Preferred Stocks . . . . .	5,254,870.00
Common Stocks . . . . .	10,270,900.00
Capital stock of National Surety Marine Insurance Corporation, a wholly owned subsidiary . . . . .	1,663,832.73
Premiums in Course of Collection, Not over 90 Days Due . . . . .	1,226,791.34
Accrued Interest . . . . .	40,106.22
Reinsurance and Other Accounts Receivable . . . . .	45,516.70
Home Office Building . . . . .	500,000.00
<b>TOTAL ADMITTED ASSETS . . . . .</b>	<b>\$32,806,538.91</b>

### LIABILITIES

Reserve for Losses and Loss Adjustment Expenses . . . . .	\$ 3,935,345.15
Reserve for Unearned Premiums . . . . .	5,920,309.31
Reserve for Commissions, Expenses and Taxes . . . . .	1,945,729.66
Reserve for future changes in prices of securities . . . . .	2,380,209.98
Capital . . . . .	\$ 2,500,000.00
Surplus . . . . .	16,124,944.81
Surplus to Policyholders . . . . .	18,624,944.81
<b>TOTAL . . . . .</b>	<b>\$32,806,538.91</b>

Investments are carried on the basis prescribed by the New York Insurance Department—bonds being carried at amortized or investment values and stocks at values based on rates promulgated by the National Association of Insurance Commissioners. If investments were carried at the December 31st, 1944 market quotations, reserve for future changes in prices of securities of \$2,380,209.98 would be increased to \$2,920,547.25.

Bonds carried at \$1,112,636.86 are deposited as required by law.



### "Johnny-on-the-Spot"

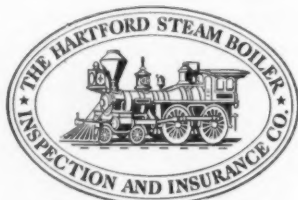
#### when your client needs a specialist

POWER-PLANT Insurance problems require the services of an engineering specialist. That is why so many far-sighted agents and brokers use Hartford Steam Boiler for their Boiler and Machinery accounts. Their assureds gain; and they gain—in good-will and profitable renewals.

In Boiler and Machinery Insurance the selection of the company is of first importance—both to the assured and to the agent. The engineering problems are highly technical. And when emergencies arise—as they will—the insurance company should have the facilities for giving help quickly to the agent and his client.

Hartford Steam Boiler not only knows the problems of boiler and machinery safety and operation, but its field staff of specialists—whose work is solely power-plant protection—is the largest of the kind anywhere. Its knowledge is based on experience acquired by the Company in 79 years of concentration on this one specialized line.

### The Hartford Steam Boiler Inspection and Insurance Company • Hartford, Conn.



FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

## ACCIDENT AND HEALTH

### Would Extend Group Vote Right to Disability Cover

BOSTON—Counsel William Doyle, Liberty Mutual, appeared before the Massachusetts legislative insurance committee in support of a bill amending the 1943 statutes which give to employers the right to vote for and in behalf of holders of certificates under group life policies, to have the act apply to disability policies under non-occupational protection. Counsel John W. Downs, for the stock companies, opposed the bill and declared it was another attempt to break down the laws which distinguished between stock and mutual methods of doing business. A certificate holder under a group policy in a mutual company should be considered a policyholder, he declared, and if the employer is given the power, as holder of the master policy, to cast the vote for the group it would take away the rights of the individual certificate holders to have a voice in company affairs and destroy the mutuality of the plan. Commissioner Harrington called attention to the fact that he had opposed the bill which permits the practice among group life policies last session and was still opposed. He stated the N.A.I.C. is making a study of the inequities in the situation.

There was no opposition before the Massachusetts legislative insurance committee to a bill which would permit the writing of multiple optional benefit accident policies, with all standard provisions, providing the commissioner of insurance approved the form of policy to be issued. At present the statute requires printing on the first and last pages complete details of the benefits, in certain sizes of type, which seems impracticable in view of their length. Commissioner Harrington agreed that counsel for the department would attempt to work out the law to permit approval of a suitable and usable form.

### Kansas City Association Meets

About 50 members of the Kansas City Association of Accident & Health Underwriters attended the February luncheon meeting when Kenneth R. Phelps, former assistant district attorney, spoke. He was introduced by O. R. Jackson, Postal Life & Casualty.

A drive for new members has been started, with the goal set for 200 members this year. Marion F. Houston, Washington National, and R. J. Costigan, Business Men's Assurance, reported on the winter meeting of the National association in Omaha.

### Ia. Medical Care Bill Passed

DES MOINES—The Iowa house has passed by an 88 to 0 vote the senate bill providing for the establishment of non-profit corporations to sell medical care and surgical insurance.

The senate is considering a bill to reduce accident and health groups from "50 to 25" minimum. The measure was amended to provide a minimum of 15 but final action was deferred.

### Provident L. & A. Increase in 1944

Accident and health premiums of Provident Life & Accident in 1944 reached a new peak of \$11,053,448, a gain of \$1,100,000 over 1943. Assets of the company increased by \$3,776,903 to \$27,650,298.

### Plan for Detroit Employees

DETROIT—Mayor Jeffries has recommended to the council adoption of an accident, health and hospitalization plan for some 35,000 city employees. Half the cost would be borne by the city and half by the employees, with the city assuming \$48,000 administration costs. The cost to employees would be \$52 per year. Proposed by a municipal employees' union, the plan would provide disability benefits of \$15 per week, a

\$2,000 death benefit and hospitalization for a maximum of 31 days at \$6 per day. The mayor explained that the plan would supplement the pension system now in effect, which provides for retirement at a maximum of \$1,800 per year. The council agreed to hold hearings on the plan.

### Launch Purdue A. & H. Course

The Indianapolis Accident & Health Club, headed by P. J. Walsh, American Service and Hooper-Holmes Bureaus, which is sponsoring the accident and health course being conducted this week at Purdue University, the first ever given on a college campus, held its monthly meeting at Purdue on the opening day of the course, meeting with the class at luncheon. The enrollments are from ten states and range from the president of an insurance company in Arkansas to a young woman from Pennsylvania who is not yet licensed to sell insurance.

Following the luncheon, John D. Cramer, chief deputy of the Indiana department, addressed a joint meeting of the class, the Indianapolis association and the life insurance class being conducted at Purdue by Alden C. Palmer. Commissioner Pearson will address both classes Friday.

### Doctor Addresses Chicago Group

Dr. Otto C. Schlack, medical director of the Cook County tuberculosis hospital, discussed "Appraising Tuberculosis Claims" at the dinner meeting of the Chicago Claims Association there.

### Wash. State Cover Threat

SEATTLE—Accident and health men view with apprehension Governor Wallgren's expanded unemployment compensation bill before the Washington legislature. In addition to increasing weekly benefits to a minimum of \$10 and maximum of \$25 for a maximum period of 26 weeks, he proposes to allow compensation for sickness and non-industrial disabilities. This would have the effect of placing the state in the accident and health business.

A senate bill authorizes formation of non-profit hospital service organizations, provides for regulation and supervision by the insurance commissioner, but exempts such organizations from payment of taxes.

### Gets Leads by Telephone

DETROIT—Through a systematic telephone sales lead program the Brink agency of Mutual Benefit Health & Accident here has sold 3,624 accident and health and hospitalization policies from 16,333 leads in a year, Paul T. Williams, business promotion manager of the agency, reported before the Detroit Accident & Health Underwriters. The leads cost \$15,949 to secure, or 94 cents each, while agents pay 50 cents. The agency paid \$36,000 in first year commissions on the business sold.

Federal Life & Benefit of Wilmington, Del., has been converted into a mutual company under the title of Mutual Hospitalization. The company operates exclusively by mail. Premium income for 1943 was \$38,451.

Mutual Benefit Health & Accident now has \$1,600,000 on deposit with the Canadian receiver-general for the protection of its Canadian policyholders.

### Death Act Bill in Mich.

LANSING, MICH.—Amendment to the "death act" is proposed in a Michigan senate bill. Either the court or a jury hearing the facts in damage actions arising out of a death by wrongful act would be able to give "such damages as the deceased would have recovered had death not ensued except in such cases as may involve instant death, wherein no item of damages for pain and suffering shall be allowed."

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## CHANGES IN CASUALTY FIELD

### Brady Merchants Indem. President

Walter F. Brady, formerly executive vice-president, has been elected president of Merchants Indemnity, taking the place of William B. Carter. Mr. Brady has been chief executive of the Merchants Fire group since 1942.

John A. Sanders, who is in charge of the western department, has been elected vice-president and secretary. He has been secretary. Thomas J. O'Malley, who was in charge of the claim department, and has been assistant secretary, was elected secretary.

Raymond Roser and Ernest S. Winter have been elected assistant secretaries of Merchants Indemnity, Merchants Fire and Washington Assurance. They have been with the organization throughout their entire business career. Mr. Roser has been mainly in charge of personnel and casualty accounting and Mr. Winter has had country-wide experience in underwriting and development work.

### Brumbaugh Production Head of Eagle Indemnity

Richard D. Brumbaugh has been named production manager of Eagle Indemnity.

Mr. Brumbaugh went with the casualty companies of the Royal-Liverpool group at Los Angeles in 1931 in the safety engineering department. Later, he performed various duties in the claim department. In 1936, he was appointed special agent.

In 1942, he was transferred to Grand Rapids as manager of Eagle Indemnity and in 1943 he became assistant production manager at the head office.

### Auto-Owners Advances Two

Auto-Owners of Lansing, Mich., has elected two new vice-presidents. R. C. Masters, East Lansing, with the company since 1928, who has been special investigator and assistant general counsel, is made vice-president in charge of liability claims. C. E. Dunsmore of South Bend, Ind., becomes resident vice-president for Indiana. He has been with Auto-Owners since 1927, serving in claims and sales work and managing claim offices in several cities. He has been in South Bend since 1937, and Indiana state agent for several months.

### Finster N. Y. Surety Head

Eagle Indemnity has appointed George P. Finster as manager of the fidelity and surety department in the New York metropolitan department. He is a graduate of Fordham University and St. John's law school and for the past 15 years has handled production and underwriting of these classes of business in the metropolitan area.

### E. R. Hurd, Jr., with Am. Auto

E. R. Hurd, Jr., who has been discharged from the navy after nine months in uniform, has joined American Automobile as advertising manager. Prior to entering the service he was in the advertising department of American. He is a son of E. R. Hurd, Chicago general manager of Home.

### Bituminous Casualty Changes

LaRue Bowker has resigned as general attorney and assistant manager of the claim department of Bituminous Casualty, to join U. S. Aviation Underwriters in New York as assistant director of claims.

H. G. Sehnert has been named superintendent of automobile claims of Bituminous succeeding Mr. Bowker. Mr. Sehnert was formerly manager of the central claim office and Ed Mart succeeds him in that position.

R. D. Wilder has resigned as advertising manager of Bituminous to join

the Gellman Manufacturing Co. of Rock Island, Ill.

### Economy Opens Oak Park Unit

Economy Auto of Freeport, Ill., has opened a service office at 212 South

Marion building, Oak Park, for the benefit of agents in northeastern Illinois outside of Chicago. The manager is Elmer Anderson, who has been with Economy for about 10 years and recently has been operating in northern Illinois in a claims capacity with headquarters at his home in Lombard. Assistant manager is Robert G. Anderson, who has been traveling in northern Illinois for the past 10 months in the

interest of production and who previously for 10 years was with Ocean Accident at Chicago in field work and in automobile underwriting.

### Minn. to Supervise N. D. Plan

MINNEAPOLIS — Directors of the Minnesota automobile assigned risk plan have voted to supervise temporarily a similar plan which has been adopted in North Dakota.

## THE OHIO CASUALTY INSURANCE CO. HAMILTON, OHIO

### FINANCIAL STATEMENT, DECEMBER 31, 1944

#### ASSETS

Cash in Bank and Office .....	\$ 1,611,656.54
*U. S. Government Bonds .....	8,234,081.90
*Municipal and Listed Bonds .....	387,844.49
*Common and Preferred Stocks .....	1,084,934.25
**Stock—The Ohio Insurance Company .....	875,099.00
Mortgage Loans .....	37,832.77
Real Estate (Book Value) .....	131,460.99
Premiums in Course of Collection (Under 90 days) .....	1,232,928.64
Interest Accrued .....	29,763.32
Reinsurance Recoverable .....	18,221.25
Other Ledger Assets .....	114,136.35
	<hr/>
	\$13,757,959.50

#### LIABILITIES

Reserve for Liability and Compensation Losses .....	\$ 2,952,796.26
Reserve for Other Losses .....	829,735.80
Reserve for Unearned Premiums .....	3,892,146.77
Reserve for Taxes .....	615,768.82
Reserve for Current Expenses .....	12,000.00
Reserve for Reinsurance .....	80,092.27
Voluntary Reserve .....	875,419.58
CAPITAL STOCK .....	\$1,200,000.00
SURPLUS .....	3,300,000.00
	<hr/>
SURPLUS TO POLICYHOLDERS .....	4,500,000.00
	<hr/>
	\$13,757,959.50

\*Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31st, 1944 Market Quotations had been used, the Assets would be \$13,930,483.49 and Policy Holders Surplus \$4,672,523.99.

\*\*This Company is wholly owned, operated and controlled by the Ohio Casualty Insurance Company.

## COMPENSATION

### Seek Cover for Highway Employees in Missouri

JEFFERSON CITY, MO.—A bill authorizing the state highway commission to extend compensation benefits to about 2,600 of its employees and to members of the state highway patrol has been perfected in the house and is scheduled to come up for final passage.

It is estimated the coverage will cost about \$50,000 annually. As originally drawn the measure provided for self-insurance but objection was raised that this would put Missouri into the insurance business. The bill was then amended to provide for the purchase of the insurance protection from private companies.

### Double Award to Minor

NEWARK—A double compensation award of \$2,072, the first on record to a minor in New Jersey, was made to Campbell Davis, Kearny, N. J., 15, whose hand was lacerated while operating a meat cutting machine in a grocery store at Kearny.

Young Davis was authorized to work

after school hours, but the referee ruled that the New Jersey law forbade his operation of a power driven machine.

### Three Mich. "Comp" Bills

LANSING, MICH.—A compensation bill eliminating ceilings on silicosis awards has been introduced in the Michigan senate. Another senate bill broadens liability of employers for provision of medical and hospital service, artificial appliances, and other forms of treatment for disabled workers. The present law limits curative services to those ordered by the compensation commission over a period not to exceed 12 months but the new measure opens this to "such period as the nature of the injury or the process of recovery may require." The bill also would give disabled employees the right to choose their own physicians from a panel supplied by the commission and the selected doctor would be required to report to employer, employee and the commission on the injury and treatment and to testify, if the occasion arose, relative to his knowledge of the case.

A house measure would permit automobile specialty carriers to write compensation.

Income Tax Records build good-will. Write National Underwriter for samples.

## SURETY

### Extending Public Employees' Blanket Bond

The Surety Association of America has revised the public employees' blanket bond to permit inclusion of officers and employees of various units of political subdivisions and deputies or employees in the office of elected or appointed officials. Separate bonds must be issued for each department, division, etc., or in favor of each elected or appointed official. Another provision is that officers, deputies or employees shall not be required by law to furnish bond guaranteeing faithful performance of duty, if not responsible for funds deposited in banks, and if not charged with the duty of preserving the peace or serving writs and processes.

A rider is being prepared for use with the public employees' blanket bond embodying the principles of multiple coverage of the blanket position bond when issued in multiples of \$2,500 up to \$10,000. Risks are to be specifically submitted to the Towner Rating Bureau for rates together with the following information: Penalty of bond, list of

personnel other than those required to give statutory bonds, list of all statutory positions personnel of which is excluded from coverage under the bond, and a list of bonds now carried and premium charged thereon.

### Douglas Jones Heads Mich. Surety Group; Honor Griffin

DETROIT—Douglas Jones, Aetna Casualty, was named president of the Surety Association of Michigan at its 50th anniversary dinner here. Edward Miller, Globe Indemnity, is vice-president and J. F. Neale, Jr., Fidelity & Deposit, is secretary-treasurer. Roger Quail, Standard Accident, retiring president, was named chairman of the executive committee which includes J. T. V. Keller, Maryland Casualty, and E. O. Warren, Indemnity of North America.

W. E. Lewis, former vice-president Michigan Surety, and T. E. Griffin, retired branch manager National Surety, both 43 years in the business and the two remaining charter members of the Surety Association of Michigan, recalled incidents of the early days of the association.

Special tribute was paid to Mr. Griffin, who was general agent for National Surety in Detroit for many years until 1928, when he became branch manager. He has served as president both of the Surety Association and the Casualty & Surety Executives Association and is now a director of both.

### Warden Tells Surety Claim Men of Crime

Warden Frank Sain of the Cook county jail spoke at the luncheon meeting of the Chicago Surety Claims Association. About 25 attended. Neil H. Reynolds, claim manager of Century Indemnity and Standard Surety & Casualty, president of the group, was in charge.

Mr. Sain indicated that the present increase in juvenile delinquency means that there will be an increase in crime after the war. A motion picture of the jail and its various functions was shown.

Walter C. Crow, superintendent of fidelity and surety claims of Continental Casualty, has been named secretary-treasurer of the association. He succeeds E. C. Kincy of the same company, who died recently. Theodore W. Magnuson of Continental Casualty was elected to membership.

At the March meeting members will visit the central police district headquarters.

### Defense Costs Included

The savings and loan blanket bond form 22 has been extended by rider to cover defense costs. This is true also of forms 12 and 14 brokers' blanket bond, and follows the recent granting of this coverage under bankers' blanket bond forms 2, 8 revised and 24 for banks and form 25 for insurance companies.

### Bilquez Named at Newark

C. M. Herring, Jr., Newark manager of American Indemnity, has appointed G. E. Bilquez as manager of the new fidelity and surety department there.

Mr. Bilquez has had over 20 years' experience in underwriting and field supervision in the fidelity and surety business. He also at one time owned and operated his own agency. Recently he was superintendent of the bond department of Eagle Indemnity, metropolitan office, New York City.

### Broughton Addresses N. Y. Group

Speaking before the Surety Underwriters' Association of New York City, Averell Broughton, public relations counsel of the National Association of Insurance Agents, said that insurance is more conscious of the need for unity and of public relations problems than ever before. The business of property insurance has been in the headlines the past year more than ever. One of the products of the TNEC investigation of life insur-

# Leads Furnished ...FOUR FREEDOMS

*From the Expense of*

1. HOSPITALIZATION
2. SICKNESS DISABILITY
3. ACCIDENT DISABILITY
4. SURGICAL OPERATIONS



**Unlimited**  
... as to number of disabilities covered under contract during first year or any year after.

For the first time, voluntary disability protection at nation-wide low cost may be sold on a non-classified basis to all qualified men and women now employed. Continental's new "Four Freedoms" plan provides income security benefits up to \$5,000 or more. It covers total and partial accident disabilities, confining and non-confining sickness, as well as hospital and surgical expense.

### Special Agency Development Allowance

Leads are furnished to agents on a share cost basis. Complete development and soliciting program provided for selected territories. Experience not necessary. Opportunity to build \$5,000 to \$15,000 annual commission income now open.



Mail This Coupon TODAY

Please send me FREE agency information about America's No. 1 Income Security "FOUR FREEDOMS" plan and tell me about your special development allowance to obtain leads.

Name \_\_\_\_\_  
Agency \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

I am interested in

- ☐ PERSONAL PLAN  
☐ FAMILY GROUP PLAN  
☐ HOUSEWIFE PLAN  
☐ CHILDREN'S PLAN

**Continental Casualty Company**

AMERICA'S No. 1 ACCIDENT AND SICKNESS INSURANCE COMPANY  
Disability Division • 910 South Michigan Avenue • Chicago 5, Illinois

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ance was an increased sense of unity and organization for control and effective public relations. It was not an accident that the Institute of Life Insurance was organized shortly thereafter. Discussion, publicity and group effort under the shadow of S.E.U.A. case will have useful results, he suggested.

#### Typical Embezzler Described

MILWAUKEE—Facts about typical embezzler, drawn from a study of 1,001 cases by U. S. F. & G., were related by Urban Krier, Milwaukee district supervisor, at a Cosmopolitan Club luncheon. Mr. Krier becomes executive secretary of the Wisconsin Association of Insurance Agents March 1.

#### Would Eliminate Liquor Bonds

LANSING, MICH.—Elimination of present provision for the bonding of Michigan's licensed liquor dealers is sought in a Michigan senate bill.

## COMPANIES

### American Auto, Associated Group Makes 1944 Showing

American Automobile in 1944 had net premiums written of \$16,869,623, an increase of \$2,664,750. Premiums of American Automobile Fire were up \$714,494 to \$5,818,726.

Premiums of the affiliated Associated Indemnity were \$9,068,504, compared with \$9,192,919 a year earlier, and of Associated Fire & Marine \$331,653, increase \$83,461. The combined premiums of the four companies totaled \$32,088,507, compared with \$28,750,218.

#### American Automobile Gains

Assets of American Automobile increased \$2,864,853 to \$34,443,984. Unearned premium reserve was \$8,258,993, up \$1,237,230. The reserve for taxes was \$853,507, including \$460,000 for federal income taxes. Surplus to policyholders was \$13,286,434, compared with \$13,087,722.

Associated Indemnity assets increased \$2,215,129 to a total of \$14,205,497. Unearned premiums stood at \$1,205,462, increase \$69,826. Policyholders surplus was \$4,140,654, increase \$1,640,654.

American Auto Fire assets totaled \$6,275,090, a gain of \$251,153. Unearned premiums were \$2,875,218, increase \$370,618. Surplus to policyholders was \$2,087,207, compared with \$2,445,238. The company had an underwriting loss in the year of \$518,572, compared with an underwriting profit in 1943 of \$418,339.

Assets of Associated Fire & Marine at year end stood at \$876,716, increase \$71,947. Unearned premiums were \$305,912, increase \$76,254. Policyholders surplus was \$505,424, compared with \$500,000. The company had an underwriting loss of \$20,344, compared with an underwriting loss of \$21,320 in 1943.

American Automobile had an underwriting gain of \$699,490, compared with \$370,641, and Associated Indemnity had underwriting gain of \$1,288,296, against \$1,729,626. The ratio of losses and loss expenses incurred to premiums earned for the four companies was: American Automobile, 51.6; American Automobile Fire, 61.6; Associated Indemnity, 62.3, and Associated F. & M., 44.

### Record Year for American Casualty

American Casualty assets increased 32.3% in 1944 to a total of \$10,544,491, \$1,029,440 of the increase coming from sale of additional stock. Surplus increased \$726,167 to \$1,783,532, \$529,440 coming from sale of stock. Unearned

premium reserves increased \$645,282 to \$3,263,459.

The company had \$7,149,892 in net premiums written. Automobile liability and property damage premiums of \$3,496,579 represented an increase of 16.1%; accident and health premiums of \$538,074, increase 64.8%; fidelity and surety premiums \$323,015, increase 11.1%; plate glass premiums \$163,429, up .29%; burglary \$341,175, up 44.9%; aviation and miscellaneous, \$92,143, up 80.9%; general liability and property damage \$847,884, up 29.5%, and workmen's compensation \$1,347,588, up 14.9%.

The annual report is gotten up in a handsome pamphlet, with the various items in the statement explained in a way that the average business man can understand. In the center of the booklet is given the premium volume by departments with illustrations to indicate the line written.

### General Accident Report Impressive

General Accident assets in 1944 increased \$2,169,892 to a total of \$49,391,-

934. Government bond holdings stood at \$18,576,604 at the end of the year and cash at \$4,192,642.

Policyholders surplus remained unchanged at \$15 million, but the voluntary reserve total at the end of the year was \$7,191,965, a gain of \$1,022,827. Unearned premium reserve was \$9,608,129, up \$548,644.

American Bonding—Assets, \$2,435,674; inc., \$157,429; unearned prem., \$1,103,425; loss res., \$602,307 (premium and claim res. carried by Fidelity & Deposit); capital, \$1,000,000; surplus, \$1,107,871; inc. dec., \$79,908. Experience



Licensed in

All States

## CENTRAL SURETY AND INSURANCE CORPORATION

### FINANCIAL STATEMENT, DECEMBER 31, 1944

#### ADMITTED ASSETS

Cash (in Banks and Office) .....	\$ 767,619.45
Bonds:	
U. S. Govt. (Direct or Guaranteed) .....	\$5,305,983.27
State and Municipal .....	4,242,792.56
Railroad .....	49,751.41
Federal Home Loan Banks .....	50,000.00
Total Cash and Bonds .....	\$10,416,146.69
Central Surety Fire Corporation Stock .....	627,301.85
Real Estate Sold Under Contract .....	19,413.99
Mortgage Loans on Real Estate .....	33,694.84
Premiums in Course of Collection (not over 90 days) .....	894,504.74
Accrued Interest on Investments .....	74,320.95
Other Admitted Assets .....	2,563.44
Total Admitted Assets .....	\$12,067,946.50

#### LIABILITIES

Reserve for Claims .....	\$4,434,812.90
Reserve for Unearned Premiums .....	2,561,126.92
Total Claim and Premium Reserves .....	\$ 6,995,939.82
Reserve for Commissions, Taxes and Other Liabilities .....	695,293.07
Voluntary Contingency Reserve .....	100,000.00
Total Reserves .....	\$ 7,791,232.89
Capital .....	\$1,000,000.00
Surplus .....	3,276,713.61
Surplus to Policyholders .....	\$ 4,276,713.61
Total Liabilities .....	\$12,067,946.50

Securities carried at \$614,914.34 in the above statement are deposited for purposes required by law. Bonds are carried on amortized basis. Market value of bonds exceeded their book value at December 31, 1944, by \$200,715.25. No bonds were in default either as to principal or interest at December 31, 1944. Market value of invested assets of Central Surety Fire Corporation exceeded their book value at December 31, 1944, by \$12,681.06.

### HOME OFFICE KANSAS CITY, MISSOURI

R. E. MCGINNIS, President

SAN FRANCISCO

CHICAGO

NEW YORK

(reins. 100% by Fidelity &amp; Deposit):

	Net Prems.	Losses Pd.
Liability .....	4,710	\$ 53
Fidelity .....	842,074	97,039
Surety .....	375,797	—13,601
Glass .....	65,716	39,307
Burglary and theft.	462,222	160,780
<b>Total .....</b>	<b>\$1,750,522</b>	<b>\$ 283,578</b>

<b>Alamo Casualty Und., Tex.—Assets,</b>		
\$138,296; inc., \$28,196; unearned prem.,		
\$16,132; loss res., \$15; liab. res., \$30,594;		
surplus, \$91,115; inc., \$20,574. Experi-		
ence:		
Auto liability .....	32,199	\$ 215
Auto prop. damage.	12,093	10
Auto collision .....	906	1,284
Other auto .....	2,637	205
<b>Total .....</b>	<b>\$ 48,645</b>	<b>\$ 1,714</b>

<b>Arrow Mutual Liability—Assets, \$1-</b>		
\$21,195; inc., \$206,089; unearned prem.,		
\$158,947; loss res., \$25,000; liab. res.,		
\$13,014; comp. res., \$429,682; surplus,		
\$348,859; inc., \$79,651. Experience:		
Accident & health..	52,539	
Liability .....	8,131	
Workmen's comp. ..	504,881	131,470
<b>Total .....</b>	<b>\$ 565,551</b>	<b>\$ 131,470</b>



# ANCHOR

## CASUALTY COMPANY

ST. PAUL, MINNESOTA

Anchoring Assures  
Smooth Sailing



**AUTO - ACCIDENT  
BURGLARY  
LIABILITY  
PLATE GLASS  
COMPENSATION  
FIDELITY - SURETY**

**Arex Indemnity—Assets, \$1,177,775;**  
inc., \$28,969; unearned prem., \$185,465;  
loss res., \$9,851; liab. res., \$157,508; comp.  
res., \$107,733; capital, \$451,770; surplus,  
\$245,656; inc. \$548. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	42,596	\$ 7,730
Other liability .....	107,913	27,074
Workmen's comp. ..	204,315	102,783
Glass .....	4,077	5,128
Burglary and theft.	24,009	1,988
Boiler and mach. ....	12,638	988
Auto prop. damage.	18,715	10,898
Other P. D. and coll.	3,134	124
<b>Total .....</b>	<b>\$ 417,402</b>	<b>\$ 156,716</b>

<b>Business Men's Assurance—Assets,</b>		
\$42,963,641; inc., \$5,625,189; unearned		
prem., \$968,352; loss res., \$2,346,228; non-		
can. A. & H. res., \$135,816; capital,		
\$1,000,000; surplus, \$2,569,349; inc. \$302,-		
767. Experience:		
Accident .....	961,514	\$ 322,129
Health .....	1,855,515	895,774
Group A. & H. ....	1,804,258	1,158,056
Non-can. H. & A. ....	72,778	36,634
<b>Total .....</b>	<b>\$4,694,067</b>	<b>\$2,412,594</b>

<b>Citizens Mutual Auto., Mich.—Assets,</b>		
\$1,906,411; inc., \$272,633; unearned prem.,		
\$745,384; loss res., \$221,690; liab. res.,		
\$418,642; (vol. res. inc., \$100,000); sur-		
plus, \$409,878; inc., \$82,010. Experience:		
Auto liability .....	468,420	\$ 80,839
Other liability .....	596	
Auto prop. damage.	323,874	89,449
Auto collision .....	361,086	245,416
Other auto .....	310,557	93,001
<b>Total .....</b>	<b>\$1,464,533</b>	<b>\$ 508,705</b>

<b>Economy Auto, Ill.—Assets, \$1,430,092;</b>		
inc., \$103,872; unearned prem., \$270,028;		
loss res., \$79,300; liab. res., \$275,627;		
capital, \$200,000; surplus, \$329,236; inc.,		
\$10,084. Experience:		
Accident .....	267	
Auto liability .....	195,296	\$ 48,228
Other liability .....	238	
Auto fire .....	10,135	2,751
Auto theft .....	6,764	990
Glass .....	8	
Medical .....	125	
Auto comprehensive	66,683	22,279
Auto prop. damage	122,767	22,249
Auto collision .....	125,838	54,925
Other P. D. & coll.	42	
Other auto .....	21,921	2,665
<b>Total .....</b>	<b>\$ 550,089</b>	<b>\$ 154,091</b>

<b>Employers Reinsurance—Assets, \$25,-</b>		
975,303; inc., \$2,140,607; unearned prem.,		
\$4,732,694; loss res., \$1,775,944; liab. res.,		
\$4,594,149; comp. res., \$2,539,526; non-		
can. A. & H. res., \$24,562; capital, \$2,000,-		
000; surplus, \$7,000,000; inc., \$3,000,000;		
vol. spec. res., \$1,598,670; dec., \$2,039,651.		
Experience:		
Accident .....	382,286	\$ 115,327
Health .....	65,716	24,558
Group A. & H. ....	82,265	32,297
Non-can. H. & A. ....	114,244	36,459
Auto liability .....	4,920,773	2,122,477
Other liability .....	787,141	249,810
Workmen's comp. ....	1,051,756	346,432
Fidelity .....	914,584	124,405
Surety .....	612,969	251,735
Glass .....	6,197	
Burglary and theft.	426,379	43,639
Boiler and mach. ....	268,639	7,910
Auto prop. damage.	756,187	233,887
Auto collision .....	1,571	
Other P. D. and coll.	73,278	20,501
Other auto .....	468,260	—5,712
<b>Total .....</b>	<b>\$10,932,245</b>	<b>\$3,603,725</b>

<b>Highway Ins. Underwriters, Tex.—As-</b>		
sets, \$982,848; inc., \$145,134; unearned		
prem., \$256,977; loss res., \$32,348; liab.		

res., \$195,055; comp. res., \$61,828; surplus,  
\$382,951; inc., \$106,004. Experience:

	Net Prems.	Losses Pd.
Auto liability .....	348,713	\$ 112,987
Workmen's comp. ....	99,063	24,089
Bonds .....	2,373	—28
Auto prop. damage.	104,274	50,130
Auto cargo .....	30,331	9,132
<b>Total .....</b>	<b>\$ 584,760</b>	<b>\$ 196,310</b>

<b>Home Indemnity—Assets, \$11,970,531;</b>		
inc., \$1,201,242; unearned prem., \$2,924,-		
722; loss res., \$834,580; liab. res., \$2,881,-		
432; comp. res., \$88,166; capital, \$1,050,-		
000; surplus, \$3,317,369; inc., \$472,347.		
Experience:		
Accident .....	17,506	\$ 1,077
Auto liability .....	2,158,670	727,115
Other liability .....	829,317	128,810
Workmen's comp. ....	26,390	6,763
Fidelity .....	275,656	41,092
Surety .....	124,645	—5,394
Glass .....	181,463	68,649
Burglary and theft.	513,180	116,872
Auto prop. damage.	919,999	410,192
Auto collision .....	6,280	3,085
Other P. D. and coll.	31,861	2,261
<b>Total .....</b>	<b>\$5,084,967</b>	<b>\$1,500,522</b>

<b>Illinois Mutual Casualty—Assets, \$517,-</b>		
984; inc., \$132,602; unearned prem., \$126,-		
693; loss res., \$66,895; surplus, \$300,550;		
inc., \$93,994. Experience:		
Accident & health..	616,212	\$ 246,018

<b>Iowa Hardware Mutual Cas.—Assets,</b>		
\$94,044; inc., \$6,686; unearned prem., \$7,-		
928; liab. res., \$14,666; comp. res., \$553;		
surplus, \$69,139; inc., \$26. Experience:		
Auto liability .....	8,967	\$ 479
Other liability .....	522	
Workmen's comp. ....	2,503	233
Glass .....	25	23
Fire .....	—6,392	9
Auto prop. damage.	7,626	1,063
Other P. D. and coll.	90	
<b>Total .....</b>	<b>\$ 13,341</b>	<b>\$ 1,806</b>

<b>Massachusetts Plate Glass—Assets,</b>		
\$478,108; inc., \$36,294; unearned prem.,		
\$84,329; loss res., \$7,500; capital, \$200,000;		
surplus, \$159,435; inc., \$28,495. Experi-		
ence:		
Glass .....	101,876	\$ 38,105

<b>Mountain States Mutual Cas.—Assets,</b>		
\$2,669,521; inc., \$60,594; unearned prem.,		
\$36,818; comp. res., \$63,679; surplus, \$92,-		
971; inc., \$8,528. Experience:		
Workmen's comp. ....	192,864	\$ 42,576

<b>National Travelers Cas.—Assets, \$491,-</b>		
264; inc., \$68,709; unearned prem., \$103,-		
722; loss res., \$53,075; non-can. A. & H.		
res., \$1,957; surplus, \$250,000; inc., \$25,-		
000. Experience:		
Accident .....	135,019	\$ 43,303
Health .....	138,124	50,733
Non-can. H. & A. ....	36,265	9,957
<b>Total .....</b>	<b>\$ 309,408</b>	<b>\$ 103,993</b>

<b>Old Line Automobile, Ind.—Assets,</b>		
\$107,716; inc., \$8,345; unearned prem.,		
\$12,847; loss res., \$2,929; liab. res., \$11,-		
840; surplus, \$75,832; inc., \$11,144. Ex-		
perience:		
Auto fire .....	390	
Auto theft .....	422	\$ 33
Auto liability .....	21,634	2,562
Auto prop. damage.	12,098	3,490
Auto collision .....	5,479	3,019
Auto cyclone .....	61	
Medical Pay .....	1,056	526
Comprehensive ....	1,472	525
<b>Total .....</b>	<b>\$ 42,616</b>	<b>\$ 10,157</b>

<b>Republic Mutual, O.—Assets, \$340,369;</b>		
inc., \$46,900; unearned prem., \$107,940;		

loss res., \$21,360; liab. res., \$83,865; capital,  
\$120,438; surplus, \$118,946; inc., \$30,-  
326. Experience:

	Net Prems.	Losses Pd.
Accident .....	11,522	\$ 1,170
Auto liability .....	78,485	17,797
Other liability .....	1,727	60
Burglary and theft.	2,866	329
Auto prop. damage.	48,223	19,601
Auto collision .....	61,934	37,777
Other P. D. and coll.	115	
Other auto .....	34,896	11,082
<b>Total .....</b>	<b>\$ 239,768</b>	<b>\$ 87,816</b>

<b>Standard Accident—Assets, \$41,712,868;</b>		
inc., \$4,112,620; unearned prem., \$8,074,-		
583; loss res., \$2,412,194; liab. res., \$6,-		
328,980; comp. res., \$6,359,306; non-can.		
A. & H. res., \$1,304; capital, \$5,518,760;		
surplus, \$10,159,989; inc., \$738,776. Ex-		
perience:		
Accident .....	864,698	\$ 207,003
Health .....	90,373	53,665
Group A. & H. ....	461,069	244,746
Non-can. H. & A. ....	—1,373	1,300
Auto liability .....	5,422,931	1,652,000
Other liability .....	2,202,907	338,728
Workmen's comp. ....	5,659,577	2,632,054
Fidelity .....	786,337	90,071
Surety .....	1,429,243	216,824
Glass .....	238,950	102,581
Burglary & theft. ....	591,887	160,066
Steam boiler .....	19,603	4,378
Auto prop. damage.	1,216,344	513,502
Auto collision .....	46,752	24,371
Other P. D. and coll.	274,233	48,333
<b>Total .....</b>	<b>\$19,303,537</b>	<b>\$6,289,628</b>

<b>State Automobile Mutual, O.—Assets,</b>		
\$11,918,082; inc., \$1,007,618; unearned		
prem., \$2,350,666; loss res., \$337,020; liab.		
res., \$2,263,337; surplus, \$2,665,050; inc.,		
\$182,960. Experience:		
Accident .....	273,192	\$ 48,267
Auto liability .....	1,791,081	397,487
Other liability .....	92,122	10,101
Cargo .....	9,521	—7,234
Fidelity .....	2,007	
Windstorm .....	40,629	14,985
Glass .....	244	50
Burglary and theft.	331,826	56,287
Auto fire .....	253,478	73,880
Comprehensive .....	97,159	79,995
Auto prop. damage.	938,493	459,233
Auto collision .....	1,127,358	631,030
Other .....	14,003	8,628
<b>Total .....</b>	<b>\$4,971,113</b>	<b>\$1,772,709</b>

<b>Trinity Universal—Assets, \$9,970,791;</b>		
inc., \$685,924; unearned prem., \$3,792,-		
198; loss res., \$651,503; liab. res., \$1,388,-		
566; comp. res., \$363,558; capital, \$1,000,-		
000; surplus, \$1,762,089; inc., \$160,455.		
Experience:		
Fire .....	991,420	\$ 386,182
Windstorm .....	38,594	85,467
Extend. cov. & other	430,981	135,543
Inland marine .....	75,958	40,302
Auto liability .....	1,045,611	302,123
Other liability .....	242,382	29,372
Workmen's comp. ....	463,953	187,472
Fidelity .....	37,709	—1,271
Surety .....	128,502	41,953
Glass .....	203,552	79,829
Burglary and theft.	89,487	23,808
Auto fire & theft. ....	158,356	54,887
Auto comprehensive.	435,990	198,718
Auto prop. damage.	545,248	251,410
Auto collision .....	903,022	538,069
Other P. D. and coll.	23,887	2,182
Other auto .....	101,673	27,861
<b>Total .....</b>	<b>\$5,914,326</b>	<b>\$2,433,908</b>

<b>Vermont Accident—Assets, \$156,379;</b>		
inc., \$55,091; unearned prem., \$14,867;		
loss res., \$20,500; capital, \$35,000; sur-		
plus, \$84,611; inc., \$43,709. Experience:		
Accident & health..	203,522	\$ 105,810

<b>Western States Mutual Auto, Ill.—</b>		
Assets, \$350,359; inc., \$39,523; unearned		
prem., \$98,229; loss res., \$22,954; liab.		
res., \$72,382; surplus, \$143,733; inc., \$24,-		
220. Experience:		
Accident .....	1,247	\$ 161
Auto liability .....	77,002	18,156
Auto fire .....	13,076	2,168
Auto windstorm .....	2,198	945
Auto comprehensive.	2,893	4,236
Burg. & theft, auto.	11,931	712
Auto prop. damage.	47,576	11,805
Auto collision .....	54,797	25,001
Other auto .....	8,469	1,418
<b>Total .....</b>	<b>\$ 219,192</b>	<b>\$ 64,602</b>

<b>World, Neb.—Assets, \$1,899,087; inc.,</b>		
<b>\$117,669; unearned prem., \$439,599; loss</b>		
<b>res., \$230,056; non-can. A. &amp; H. res.,</b>		
<b>\$2,028; surplus, \$362,435; inc., \$22,247.</b>		
<b>Experience:</b>		
<b>Accident &amp; health..</b>	<b>\$2,366,765</b>	<b>\$1,136,098</b>



**National Indemnity.**—Assets, \$265,805; inc., \$56,577; unearned prem., \$14,736; loss res., \$1,284; liab. res., \$12,128; capital, \$150,000; surplus, \$58,810; dec., \$15,315. Experience:

	Net Pmts.	Losses Pd.
Auto liability .....	\$ 21,632	\$ 2,729
Auto prop. damage .....	7,584	587
Auto collision .....	27,290	7,497
Auto comprehensive .....	26,977	6,163
Total .....	\$ 83,483	\$ 16,976

**Massachusetts Bond.**—Assets, \$31,757,355; inc., \$2,440,006; unearned prem., \$6,167,189; loss res., \$2,034,957; liab. res., \$4,921,988; comp. res., \$4,489,541; capital, \$2,000,000; surplus, \$9,868,114; inc., \$1,820,185. Experience:

Accident .....	\$1,279,040	\$ 380,369
Health .....	1,007,289	550,867
Group A. & H. ....	14,555	13,977
Auto liability .....	4,014,229	1,799,692
Other liability .....	1,907,056	446,656
Workmen's comp. ....	4,161,955	1,687,173
Fidelity .....	1,002,069	95,678
Surety .....	858,147	109,282
Glass .....	231,490	95,988
Burglary and theft ..	642,288	165,347
Auto prop. damage ..	1,328,298	643,157
Auto collision .....	9,825	2,922
Other P. D. and coll. ..	164,874	21,507

Total .....\$16,621,122 \$5,794,055

**Wolverine Insurance Co.**—Assets, \$2,791,480; inc., \$291,944; unearned prem., \$959,922; loss res., \$182,596; liab. res., \$752,252; capital, \$200,000; surplus, \$460,816; inc., \$57,416. Experience:

Accident .....	\$ 778	\$ 133
Auto liability .....	679,254	135,917
Other liability .....	11,888	586
Auto fire .....	37,135	7,023
Auto theft .....	7,008	1,276
Glass .....	5,958	1,326
Burglary and theft ..	25,072	6,551
Auto med. payment ..	116,379	26,229
Auto prop. damage ..	408,664	151,233
Auto collision .....	623,285	342,885
Other P. D. and coll. ..	4,711	2,949
Auto comprehensive ..	288,169	117,343

Total .....\$2,208,301 \$ 793,450

## Arbitration Board Hears 31 Hartford Circus Cases

HARTFORD — The cases of 31 claimants in connection with the circus fire were heard last week by the three-man arbitration board following its official organization. All the cases were taken under advisement after the hearings, and an apportionment of the assets of the circus among all claimants is expected at some future time.

Organization of the board followed a superior court hearing at which Judge McLaughlin denied a motion seeking to have the court transfer the cash assets of the circus from the receiver to three trustees.

The judge stated that "the court is not inclined to disturb the continuity of the logical, legal, and acceptable procedure of the case now being undertaken on the part of all those involved in this affair."

Before making his decision, Judge McLaughlin had questioned Attorney Morton E. Cole, whose motion it was, as to why there was any more sanctity "thrown around" the trustees whose appointment he sought than around the receiver, who is an officer of the court.

Mr. Cole declared that another circus catastrophe, such as lions running amok, might result in bankruptcy for the circus and consequent loss of the benefit of the assets to the claimants, but was told by United States Attorney R. F. Butler, chairman of the special committee which arranged the arbitration agreement with the circus, that even if federal bankruptcy were sought by the circus, such a proceeding would not supersede the present state receivership.

Daniel G. Judge, New York counsel for the circus, said the reason the circus has potential assets of \$1,300,000 is that it has been able to obtain the cooperation of its insurers, such as London Lloyds, with which the circus carries a \$500,000 indemnity policy. Lloyds, he said, has waived all technicalities.

If Lloyds had stood on a position of strict legality, he declared, the \$500,000 might not have been made available for the claimants. The circus today is highly

solvent, Mr. Judge said, and intends to pay over all its earnings in the future for the benefit of the claimants.

When the hearings subsequently opened, Attorney Cyril Coleman of Hartford, representing the circus, told the arbitration board that the position of the circus would be consistent in all cases.

"We are not trying to beat down any claimant," he said. "What we want is overall justice to the claimants."

The first case heard was that of William L. Curlee, 29, whose widow was represented by Attorney J. P. Cooney.

He read a statement describing the circumstances, financial, social and physical, of Mr. Curlee's life.

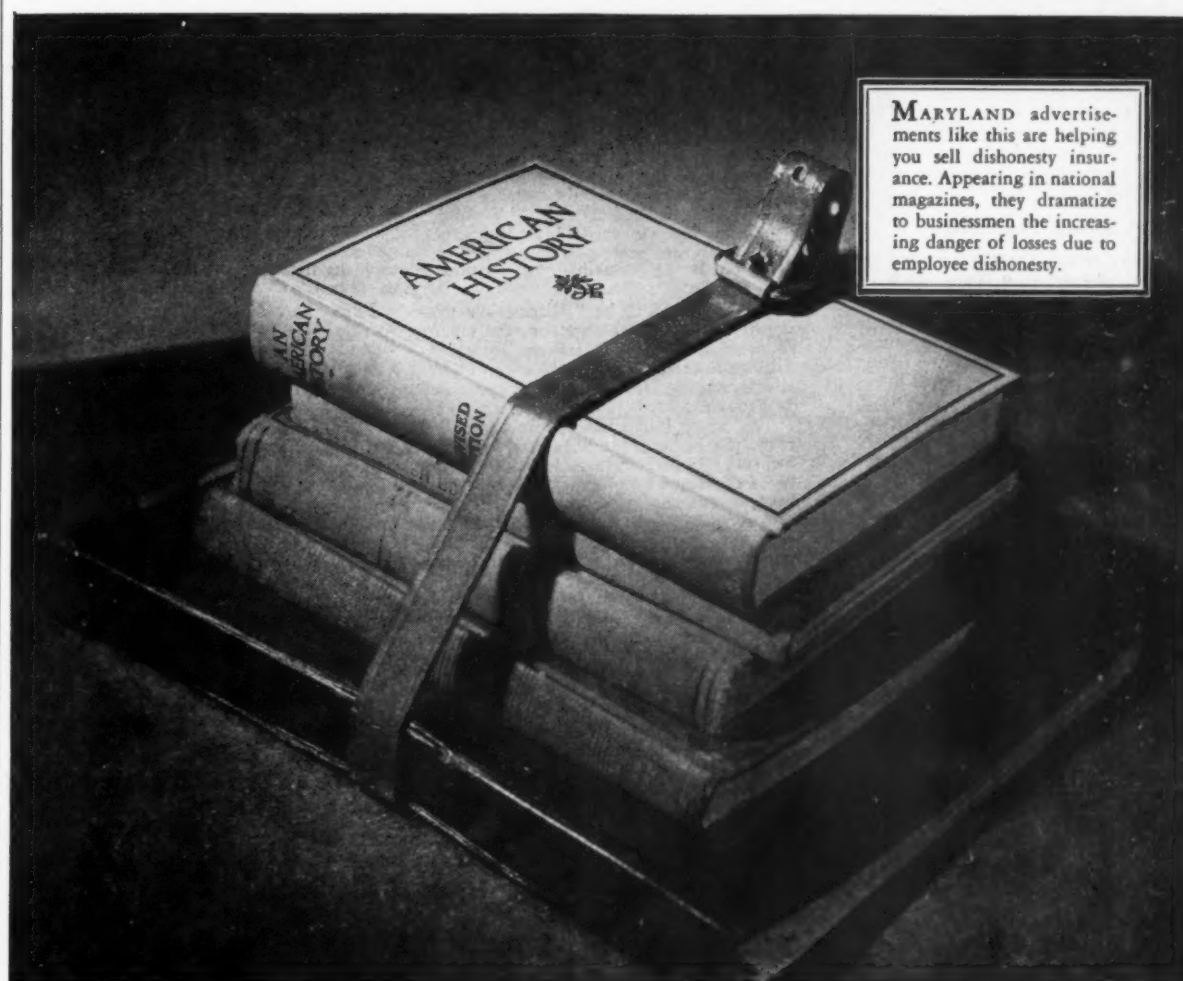
Mr. Curlee was employed at Pratt & Whitney and had an average annual income, he declared, of \$4,540, carried \$8,000 life insurance and had bought a \$1,000 war bond the week before the fire. Mr. Cooney quoted from insurance tables to show that the deceased's life expectancy was 36 years. He asked the board to consider Mr. Curlee's youth, health, income, savings and initiative as indicated by the evidence in the statement.

## Auto P. D. Claims Multiply with Icy Streets

Claim men have been overburdened with small automobile property damage and collision claims as a result of ice covered streets. As garages are busy and short of help, it hasn't been necessary to check the claims as closely as usual as the garages don't wish to do any more work on the cars than is absolutely necessary.

**Income Tax Records** build good-will. Write National Underwriter for samples.

"Unforeseen events . . . need not change and shape the course of man's affairs"



MARYLAND advertisements like this are helping you sell dishonesty insurance. Appearing in national magazines, they dramatize to businessmen the increasing danger of losses due to employee dishonesty.

## HOMEWORK FOR BUSINESSMEN

IT'S A SIMPLE MATTER of history—the record of what happens to business after wars. And what does the record show?

Among other things, it shows that employees have to make many adjustments. Wartime jobs must be forsaken. New livelihoods must be secured. Mode of living must be re-scaled to amount of income.

Since these adjustments are coincident with lowered civilian morale, it is no wonder that postwar history shows

an alarming increase in business losses due to employee dishonesty. And it is the employee in a position of trust who has the greatest opportunity to go wrong.

Precisely because of this, The Maryland offers a program that will be of interest to every business, large or small. It is The Maryland's program for post-

war security against employee dishonesty.

Briefly, this program gives you complete security against losses that occur due to the dishonesty of any of your employees, no matter what their work, no matter who they may be. It is a far-sighted program, an economical program—and it is available now. Ask any Maryland agent or broker for full information. Maryland Casualty Company, Baltimore 3, Md.



# THE MARYLAND

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN TIME—BUSINESS WEEK—NEWSWEEK—U.S. NEWS

## State Farm Loses, But Court Dodges Commerce Issue

(CONTINUED FROM PAGE 21)

that appellant may have an opportunity to obtain the ruling affirmed."

Justice Roberts, who had appeared impressed by the "commerce" argument in the presentation of the case, dissented, but filed no opinion. Justice Jackson, disagreeing in part with the majority, had only this comment:

"I think the judgment below should be vacated rather than affirmed and do not, therefore reach the constitutional questions dealt with in the court's opinion. I doubt that the Wisconsin supreme court can open and re-examine a judgment after it is affirmed by this court. As the court recognizes, to vacate is the procedure that has been followed when similar situations have been presented heretofore."

### Denied License Four Years

Mr. Duell refused State Farm Mutual licenses in 1940, 1941, 1942 and 1943, the Supreme Court says. He was sustained by the Wisconsin supreme court which held as a matter of law that membership fees were part of premiums and that 50% of them must be included in reserve required, to cover overall liability.

On the question of due process, the court cites *Hoopston Canning Co. vs. Cullen*, in which it sustained the New York insurance law.

"Wisconsin has a legitimate concern with the financial soundness of companies writing insurance contracts with its citizens," says Justice Douglas. "The reserve which it requires under section 201.18 is designed to measure the entire future contingent liability on unexpired risks. That contingent liability is obviously relevant in any appraisal of the financial soundness and stability of the company. It is, to be sure, a bookkeeping requirement. But it is more than that: it is one of Wisconsin's measuring rods of financial stability and strength. Any financial statement required by Wisconsin or any other state would need to reflect all assets and liabilities of the company in the interests of truth.

"Their inclusion does not mean that out of state activities are being regulated by Wisconsin. It only means that solvency of a multi-state business can hardly be determined on a single state basis. Accounting is not an exact science. The

due process clause certainly does not require uniformity in requirements for financial statements of companies doing business within its borders. If a state undertook to regulate out-of-state activities through such a requirement, different questions would be posed. But we fail to see that Wisconsin has done that here. We cannot say that reserve required by Wisconsin has any purpose but the protection of its own citizens. Its adequacy of appropriateness as a standard for qualification to do business in Wisconsin is therefore a question for Wisconsin to determine."

### Full Faith and Credit

On the question of full faith and credit, the court says: "Appellant's argument comes down to this: Illinois, the state of incorporation, does not treat the membership fees as a part of the premiums. Therefore, Wisconsin may not do so. The result would be that no state could impose stricter financial standards for foreign corporations doing business within its borders than were imposed by the state of incorporation. The full faith and credit provision requires no such result."

It may not be used, says the court, to compel one state "to substitute the statutes of other states for its own statutes."

It is declared to be "Wisconsin's prerogative to select the appropriate means of protecting its own citizens by establishing financial standards for companies which exploit the opportunities which Wisconsin affords," says the court.

The State Farm case promises to become the leading one with respect to the Supreme Court's refusal to take account in its decision of a point not passed upon by the state supreme court from which the appeal is being taken. Pointing out that the question of whether the Wisconsin statute violated the federal commerce clause, as a result of the S.E.U.A. decision, did not come up until after the appeal had been filed with the supreme court, the opinion says that "since the Wisconsin supreme court did not pass on the question, we may not do so." Never before has there been such a clear-cut statement that the court will not consider a point that has not been passed on by the state's highest court.

### LINCOLN NATIONAL CASE

WASHINGTON—The Supreme Court will consider No. 833, *Lincoln National Life vs. Read*, Oklahoma commissioner, indicated in announcing Monday that "in this case probable jurisdiction is noted."

This means the court will hear arguments and receive briefs on the question at issue, namely, the Oklahoma alleged discriminatory tax on foreign companies.

Court attaches say the case will not be reached for argument before the week of April 2, or possibly April 23. If the Oklahoma case is not reached for argument in April it may have to go over until next fall, it is said, as the court usually stops hearing arguments about May 1 or early that month.

A situation paralleling that in the State Farm case exists here. *Lincoln National* is seeking to introduce the commerce clause question in the case at this point although it was not involved at the outset.

The Supreme Court denied writs of certiorari for reviewing lower courts' decision in Nos. 824, *Pathfinder Petroleum Co. vs. General of Seattle*, and 673, *California Shipbuilding Corp. vs. Industrial Accident Commission of California*.

### Urges Aviation Study

MILWAUKEE—Aviation insurance unquestionably presents a challenge to the agent of the future, and obviously those who study this branch in its infancy will be at a distinct advantage as the industry progresses, the educational committee of the Milwaukee County Board of Casualty & Surety Underwriters says in a bulletin on aviation insurance sent to members and solicitors.

"A steady growing demand is apparent

from owners and users of airplanes for various types of insurance applicable to the use of air travel equipment," the committee states. "Your association believes it very important that every insurance agent begins at once to explore and study the field of aviation insurance, which will undoubtedly become one of the major fields of insurance in the near future."

The bulletin includes a brief outline describing aviation accident and liability insurance and airplane hull coverage.

### L. A. Adjusters Hold Forum

LOS ANGELES—Legal decisions and points of law relating to claims against companies were discussed at the February meeting of the Casualty Insurance Adjusters Association of Southern California. There was no guest speaker and a dozen members expressed their views on the questions raised.

## PERSONALS

E. H. (Count) Mueller, accident and health general agent of Milwaukee, widely known because of his association activities, is on a three weeks trip to Mexico City.

John F. O'Laughlin, president of Royal Indemnity, and Thomas L. Bean, vice-president, have been on a Pacific Coast tour.

Walter A. Chowen, retired manager of the California Inspection Rating Bureau and veteran compensation insurance authority, was the guest Wednesday of the women of the bureau who served with him many years. Some had been with the bureau practically since it was organized in 1915, when Mr. Chowen became the first manager. He retired in 1936. He first went to San Francisco in 1906 as manager of the liability department of Aetna Life. The women gave him a luncheon they prepared themselves.

Charles Deckelman, 69, manager of the casualty claim department of Travelers, is on the danger list at Hartford Hospital as the result of internal injuries received Friday when his car stalled on railroad tracks near the station in East Granby and was struck by a Diesel engine.

Aubrey F. Kinsman, payroll auditor of Aetna Casualty in San Francisco since 1917, died from a heart attack on his way to his office.

J. L. Crosson, treasurer of American Automobile, died recently. He had been with the organization more than 20 years.

## House Objections Cause Delay

(CONTINUED FROM PAGE 3)

with a few appropriate changes in wording related partly to substitution proposed in the House for the Senate measure.

The House committee, however, added important matter concerning the intent of Congress. In this respect, apparently, the committee was impressed by representations of mutual interests and others that the bill not be construed as requiring or encouraging state legislation to force companies to join bureaus or charge uniform rates. Said Walter, in his report for the committee:

### Against Uniform Rates

"Nothing in this bill is to be so construed as indicating it to be the intent or desire of Congress to require or encourage the several states to enact legislation that would make it compulsory for any insurance company to become a member of rating bureaus or charge uniform rates. It is the opinion of Congress that competitive rates on a sound financial basis are in the public interest.

"It is not the intention of Congress in

the enactment of this legislation to clothe the states with any power to regulate or tax the business of insurance beyond that which they had been held to possess prior to the decision of the United States Supreme Court in the *Southeastern Underwriters Association* case. Briefly, your committee is of the opinion that we should provide for the continued regulation and taxation of insurance by the states, subject always, however, to the limitations set out in the controlling decisions of the United States Supreme Court, as, for instance, in *Allgeyer v. Louisiana* (165 U. S. 578), *St. Louis Cotton Compress Co. v. Arkansas* (260 U. S. 346), and *Connecticut General Insurance Co. v. Johnson* (303 U. S. 77), which hold, inter alia, that a state does not have power to tax contracts of insurance or reinsurance entered into outside its jurisdiction by individuals or corporations resident or domiciled therein covering risks within the state or to regulate such transactions in any way."

Walter said further in the report that the committee had given "immediate consideration" to HR 1973, as well as S.340, and expressed the judgment of the committee that HR 1973 "represents a most commendable effort on the part of insurance companies and state insurance commissions" to effect adjustments and reorganization, etc. In his analysis of the bill, section by section, Walter called attention to the change of date to end the anti-trust moratorium from June 1, 1947 to Jan. 1, 1948 in the case of the Sherman act, there being no change of the latter date with relation to the Clayton act. Attention is also called to the insertion of a reference to the merchant marine act, 1920, among the laws applying to insurance, not affected by the new bill.

While the House committee struck out of the Senate bill the formal statement of the purpose of the moratorium, Walter put such a statement in his committee report, to the effect that suspension of the anti-trust acts as to insurance is "for the purpose of enabling adjustments to be made and legislation to be adopted by the several states and Congress."

In outlining the legislative program on Thursday, Majority Leader McCormack announced that unanimous consent would be asked Friday to consider insurance legislation.

"If unanimous consent is granted," he said, "and I hope personally it will be, but that is only an expression of my personal desire—the bill will automatically pass."

"It is understood, of course, that the bill will not be debated and whatever discussion is had in connection with the bill when the unanimous consent request is made will be under reservation of objection. I make that statement so the members will understand that a unanimous consent request will be propounded and that the bill will not, therefore, be debated, except in connection with such discussion as might take place under a reservation of any member to object."

However, when the time came, Friday, the House was not in a mood to consider insurance legislation in such an informal manner, and objection was made.

McCormack also indicated Thursday that he intended to ask before Wednesday

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day of this week that calendar Wednesday business be dispensed with that day. If that were done it could kill Walter's plan to get the insurance bill up that day on a call of committees, if McCormack's request were granted. In that event, unless some other plan were devised, the Walter program would have to go over until another Wednesday, unless steps were taken in the rules committee to obtain a green light.

However, after several members asked to be notified in advance of McCormack's contemplated request to dispense with regular calendar business Wednesday, the majority leader remarked that "it may be . . . that my intelligence will dictate that I not ask to dispense with the calendar Wednesday business."

#### Attitude of Anderson

Rep. Anderson, in effect, charges lack of good faith in amending the insurance bill, as the House judiciary committee has recommended, by eliminating the statement of purpose of the moratorium from the anti-trust laws. He indicates he is not concerned about the elimination of the Senate Ferguson amendment, which would exempt the anti-trust laws from those federal acts which could not impair or interfere with state insurance laws.

Furthermore, Anderson says he favors making the moratorium period uniform for both the Sherman and Clayton anti-trust laws. He also favors House committee action in striking out the O'Mahoney amendment which would make the Sherman act applicable to an "agreement" to boycott, coerce or intimidate.

Without a statement of moratorium purpose, namely, to enable adjustments to be made and state legislation to be passed to accord with the Supreme Court S.E.U.A. decision, Anderson says, the states "may conclude the moratorium will be extended; that the moratorium provision is equivalent to a desire on the part of Congress that the anti-trust laws shall not apply to insurance."

"That is not the situation," he said. "A specific statement of purpose of the moratorium would be fair warning to the states and the companies."

When it was suggested to Mr. Anderson that some authorities hold the statement of purpose means nothing, he agreed that might be so, but added:

#### No Harm Would Be Done

"What possible harm could the statement do, in that event? The industry associations and executives who asked for a moratorium, in conference with the Department of Justice, did so on a specific basis, namely, to allow for time to adjust the business to the court decision. If that is true, what possible harm could it do to say so?"

"The Attorney General feels keenly about this matter, because the companies said they needed time for adjustments. The state commissioners asked for time to get proper state legislation and regulation."

"I want a bill passed which has a chance of being signed at the White House. We might find ourselves with a bill and no signature, and not enough votes to pass it over a veto. The important thing is whether we get a bill enacted into law."

Anderson admitted HR 1973, the new Walter bill recommended by the judiciary committee, could be passed through the House. But in that event, he said, the situation may be the same as in last Congress, when the House passed the Walter state's rights bill, but the Senate did not. Under the circumstances, he said, he regarded HR 1973 as a "futile gesture when we are extremely pressed for time."

When Rep. Walter sought to call the bill up by unanimous consent in the House, Anderson said it had been his hope "and the hope of a great many members on the majority side, and I am sure on the minority side" that S. 340 would be reported out. He stated he and Walter conferred with Speaker Rayburn on Thursday, at which time it was his understanding there was "only one minor amendment" by the House com-

mittee to S. 340, that "otherwise the Senate bill would be reported exactly as passed by the Senate."

Walter replied the bill his committee reported is in effect that agreed upon by representatives of the insurance companies, the Senate judiciary committee and the state insurance commissioners. S. 340, he continued, as passed by the Senate, "was not in accordance with that understanding and agreement."

Anderson "wondered" if the bill reported was in accord with his agreement with Walter when conferring with the Speaker. Walter said it was.

The latter added that Attorney Gen-

eral Biddle, in testimony before the committee, conceded that with the word "agreement" in the anti-boycott provision of the bill, "it might very seriously affect the agreement entered into by many of the small mutual companies with respect to the prorating of losses and the division of profits." Biddle, he said, therefore, agreed the language should be changed.

"I talked to the Attorney General and that is not his understanding," said Anderson. He challenged Walter's statement that S. 340 was not in accord with the general compromise agreement. He added that when it was pointed out to

Senator Ferguson "whose attitude in this matter has been completely fair all the way through," there was some possibility of a misunderstanding, he proposed his amendment to clarify the situation, but that language was stricken out by the House committee.

Walter replied that if that language were important Ferguson could make his position clear if the bill goes to a conference committee, "and if the language is important . . . the bill certainly should go to conference."

"I think in all justice to the Attorney General," said Celler, "I should state that the Attorney General indicated to me

## Fifty-Fifth Annual Statement DECEMBER 31, 1944

ASSETS		LIABILITIES	
United States Government Bonds . . .	\$12,125,273.27	Reserve for Unearned Premiums . . .	\$ 3,415,011.49
State, Municipal and other Gov't Bonds	466,788.55	Reserve for Losses and Claims . . . .	3,586,231.47
Railroad Bonds . . . . .	14,467.15	Reinsurance Reserves . . . . .	1,832,558.02
Public Utility Bonds . . . . .	306,308.36	Funds held under Reinsurance Treaties	598,878.06
Preferred and Guaranteed Stocks . . .	2,967,595.00	Commissions and Accounts Payable .	283,572.73
Common Stocks . . . . .	4,853,703.00	Federal, State and Other Taxes . . . .	1,009,882.83
<b>TOTAL BONDS AND STOCKS . . . .</b>	<b>\$20,734,135.33</b>	<b>Voluntary Reserves:</b>	
Cash in Banks . . . . .	\$2,238,473.54	Contingencies . . . . .	\$1,250,000.00
Cash in Offices . . . . .	10,565.00	Security Fluctuation . . . . .	755,035.75
		Post War Period . . . . .	258,456.57
Premiums, not over three months due	75,990.69	Employees' Retirement Plan . . . . .	157,105.82
Accrued Interest . . . . .	50,974.92		<b>\$13,146,732.74</b>
Other Assets . . . . .	323,982.84	Capital Paid In . . . . .	\$2,000,000.00
Post War Refund—Excess Profits Tax	258,456.57	Surplus . . . . .	8,545,846.15
<b>TOTAL ADMITTED ASSETS . . . . .</b>	<b>\$23,692,578.89</b>	Surplus to Policyholders . . . . .	10,545,846.15
		<b>TOTAL LIABILITIES . . . . .</b>	<b>\$23,692,578.89</b>

Bonds and Stocks are valued in accordance with requirements of the State of New York Insurance Department. On the basis of December 31, 1944 market quotations for all bonds and stocks owned, this company's Total Admitted Assets and its Surplus would be increased by \$390,653.08. Securities carried at \$1,043,200.47 in the above statement are deposited as required by law.

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only 10 minutes ago that the bill as brought to the House does not meet with the agreement originally made, and that he is opposed to it. Furthermore, I am informed that a number of members of the committee on the judiciary are going to offer amendments which will be considerably damaging, and for that reason I shall object."

#### Objection of Marcantonio

Marcantonio, New York, joined in objection, saying "similar legislation was opposed by about 50 members of the House last year."

"No, not similar legislation," Walter replied.

In view of statements that the Attorney General opposed the bill and that it was not in accord with the agreement, Marcantonio insisted the bill was too important to be considered under unanimous consent.

Anderson stated in reply to Case, South Dakota, that the bill "certainly was not changed (in committee) at the request of the Attorney General, because he is opposed to the form of the House bill." Concluding, Anderson said:

"Everyone here recognizes the situation that is going to confront the several state departments of insurance. They depend upon payments from insurance companies of premium taxes for their maintenance. Those companies are not going to pay, in my opinion, in the absence of legislation by this House."

"If it is held that insurance is interstate commerce, then a foreign company is not going to pay a premium tax imposed by an individual state, because that is a burden on interstate commerce. It is to correct that situation that all parties tried to get together on compromise legislation. In the Senate it was proposed jointly by members from the two sides of the aisle; it is satisfactory legislation to all concerned, and it is satisfactory to the association of insurance commissioners, who are meeting today at St. Louis because of the extreme urgency of this legislation. Mr. Speaker, I object."

Biddle was accompanied to the House judiciary committee room by Emanuel Gorman and associate, Mr. Leatherwood, of the Justice Department anti-trust division. His statement was not made public, but he is understood to have opposed, particularly, the elimination of the Ferguson Senate amendment which would make the anti-trust laws susceptible of construction as impairing or interfering with state laws regulating and taxing insurance. Rumor has it that amendment was suggested by the department.

Biddle is also said to have opposed elimination of the statement of the purpose of the anti-trust moratorium.

Administration viewpoint was voiced by Rep. Celler, New York, "I am opposed to subcommittee amendment eliminating the Ferguson amendment because it provides for exemption of insurance from the anti-trust laws not only for a moratorium period, but for all time. That is not in the compromise agreement or the bill embodying its provisions. Exemption was intended only for the moratorium period. It is very unusual to eliminate such an amendment."

There is a report that Senator McCarran, Senate judiciary committee chairman, has been tendered a federal judgeship appointed in Nevada. McCarran

was reelected only last November. If he takes the judgeship Senator Hatch, New Mexico, who has played ball with Senator O'Mahoney, would probably succeed to the judiciary chairmanship and O'Mahoney would move up to the ranking majority membership position.

#### Industry People on Hand

With the insurance bill still coiled in legislative and parliamentary red tape early this week, some insurance industry representatives began gathering here to watch developments, and some were reported disposed to take a hand in trying to untangle the situation.

Included among those in town were, W. Ray Thomas, Pittsburgh, president National Association of Insurance Agents; E. L. Williams, president Insurance Executives Association, and others.

Mr. Thomas declared: "We are all for the compact agreement," referring to the compromise bill. He said he real-

ized the "necessity for legislation soon of the right type."

There were reports that some industry representatives are hoping for legislation more nearly like the compromise agreement or the Senate bill than the Walter bill recommended by the House judiciary committee.

A. V. Gruhn, American Mutual Alliance, Tuesday, called on Senator Ferguson and others at the capitol, seeking information about the legislative program. Mr. Gruhn was represented as standing by the compromise agreement.

Ray Murphy, Association of Casualty & Surety Executives, was reported expected on a similar mission.

Late Tuesday afternoon majority floor leader McCormack announced the insurance bill would come up Wednesday on calendar call.

On Tuesday morning the program for getting the bill before the House for consideration had not yet been definitely determined, according to Judiciary Committee Chairman Sumners.

## Explore Rating Laws, Taxes at St. Louis

(CONTINUED FROM PAGE 3)

appointed chief deputy in Indiana. Superintendent Dressel of Ohio, a newcomer, was not present but his state was represented by W. A. Robinson, for many years actuary of that department, who was just recently appointed deputy commissioner.

While the commissioners were in session numerous telephone calls were being put through to Washington to get the latest advices on the progress or lack of it on the big insurance bill and there was much informal discussion of that subject.

#### St. Louis Companies Hosts

The commissioners and camp followers were entertained by the St. Louis insurance companies at an informal dinner at which Superintendent E. L. Scheufler of Missouri, chairman of the executive committee, presided. This was featured by a presentation of a birthday cake to Commissioner Harrington of Massachusetts as that was his natal anniversary and the drinking of a toast to Orville Davies who was on that day marking his 25th anniversary as vice-president of General Exchange.

#### Casualty Executives Bill

At the session on rating legislation, Ray Murphy, general counsel Association of Casualty and Surety Executives, led off and introduced William Leslie, general manager of the National Bureau of Casualty & Surety Underwriters. The commissioners previously had been supplied with a copy of the bill that is recommended by the casualty executives association and National Association of Mutual Casualty Companies for enactment in those states in which the supervisory officials feel obliged to sponsor rating legislation. Mr. Leslie said that the bill is intended as something of an umbrella under the federal anti-trust acts. It was designed to provide maximum flexibility. Hence it embraces the multiple bureau principle which permits companies to operate independently if they so desire. It takes into account difference in operating methods of stock and mutual and other types of companies; it provides in workmen's compensation rating programs, for instance, for

the gradation of premium by size of risk, but it recognizes that the same gradation of premium might not be proper for different classes of companies. Permission is given for the use of more than one method of expense loading. As to collection of experience data, the bill would permit the so-called pure premium to be developed on the basis of combination experience even though certain insurers operate independently.

There was considerable questioning of Mr. Leslie on the matter of reporting of underwriting expenses. McCormack of Tennessee asked why there is omitted from the bill detailed provisions for collecting expense experience.

#### Expense Portion Differs

Mr. Leslie replied that the expense portion of the premium differs so widely between companies and types of carriers that there is not the necessity for classification coding as to expense but he said that the bill does give the commissioner authority to call for the expense figures that he desires.

Mr. Leslie said the companies are opposed to requiring the development of expense data by states.

Forbes of Michigan asked why accident and health insurance was excluded from the proposed rating bill and Mr. Leslie replied that it was omitted because the multiple line casualty companies constituted only one of the various types of insurer that writes A&H business, the others including life and specialty companies. The A. & H. organizations should be the ones to devise their own bill, if any, he declared.

Mr. Forbes also asked whether the framers of the casualty bill had given consideration to the question of having rate filings passed upon by a three-man board, instead of by the commissioner alone. He expressed the belief that it is too much of a responsibility for one man.

Mr. Leslie replied that in Oklahoma and Texas the authority is vested in a board. Either system, he declared, works equally well.

#### Evidence to Reject

Scheufler asked what would be required under the bill in the way of the evidence on the part of a commissioner to reject a rate filing. He said he appreciated that the companies desire to have protection against an arbitrary official and yet the commissioner would want to escape being compelled to furnish minute evidence to support a rejection.

Harrington of Massachusetts got back to the matter of expense reporting. He asked why the bill could not include a provision that expenses should be reported on the basis that was approved by the insurance commissioners last December.

Mr. Leslie replied that what was decided upon in December might prove to

be objectionable two years hence and the companies don't want to insert in the bill particulars of a temporary nature.

A question was asked about the section in the bill that provides in suretyship for the use of rates as soon as filed with the commissioner privileged to reject the rates at a later date.

Mr. Leslie said that this provision was introduced at the instance of the surety people and that he did not desire to speak for them on it. He said that the surety people say that they would be legislated out of business if they were required to get prior approval of rates. The surety interests, he said, believe it may be necessary for them to secure a special federal amendment. He pointed out in New York many types of insurance rate filings can be made and the rates used until and unless subsequently disapproved.

McCormack inquired about the provision that permits a company subscriber or member of a rating bureau to deviate in some particular because of its expense situation. Mr. Leslie said that unless a company were permitted to provide different treatment in some respect it might be forced out of a bureau and be compelled to go completely independent.

F. J. Marryott, Liberty Mutual, took over for a time. He said that the bill does not contemplate individual risk rating and provisions were inserted to prevent the application of premium gradation from becoming individual risk rating.

## SOME OBJECTIONS

Mr. Forbes expressed objection to the provision that unless rates are disapproved by the commissioner in 30 days they shall be regarded as approved. Mr. Forbes said that an insurance department should not stall but that it might get so many filings in a short period that it couldn't pass on them in 30 days. Ensor of Maryland also expressed objection to the 30 day deadline. Mr. Marryott said that it is necessary to put in a time limit so as to spur a state official that might be indifferent to take action. Mr. Leslie said that a 60 day period would encourage an indifferent commissioner to delay action. It is necessary to have a certain date that can be printed in the manual.

Ray Murphy said that the bill represents a good faith effort of the casualty companies to provide a solution to the problem of the S.E.U.A. decision.

McCormack proposed a motion to commend the "wholesome" attitude of the casualty organizations in framing a bill.

A. V. Gruhn, general manager American Mutual Alliance, said that the bill should satisfy the federal people who say that they don't want federal regulation but that they do want state regulation with an opportunity for competition. He said the states have got to give the independent company the right to go it alone. The bill is an effort to meet every practical consideration. It could be picked to pieces but if it were changed then there would always be someone to object to the changes.

The commissioners generally expressed satisfaction at what the casualty companies had done but they decided that it was too early to vote approval of the bill.

Harrington then brought up the question of fire insurance rating legislation saying that he understood that Mr.

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Gruhn had prepared a model bill. The latter said that American Mutual Alliance had not prepared a model bill but that it had gotten up something for the consideration of the individual states where the situation demands attention and he distributed copies of that bill. It provides that companies combining to fix prices shall first have those prices submitted and approved by the state. It provides there shall be no coercion and that a company be permitted to go it alone. It permits the operation of a multiplicity of bureaus and requires a bureau to admit other companies. It permits uniform schedule and percentage deviations. It permits the operation of territorial bureaus. It provides that a company may belong to more than one bureau except to get service on the same class of risk. It provides flexibility so that it cannot be charged that organization companies are trying to use the federal situation to put every company in the business into a strait jacket.

Mr. Gruhn predicted that the non-affiliated companies will become more vocal in wanting an insurance clause in the federal law to guarantee them freedom of action in the states.

American Mutual Alliance, he said, "threw" the bill into several legislatures because of some of the bills that had been introduced which he characterized as unrealistic, and which seem to attempt to retain the advantage to do certain things that are now in the federal spotlight.

J. R. Berry, general counsel of the National Board, in response to a question stated that the stock fire companies have no bill to propose. They have prepared a statement of principles. They have attempted a series of draft bills but certain branches of the fire insurance business need a different type of treatment. He referred especially to the inland marine problem. It is important to get fast action on rates if the business is to be preserved from foreign competition. Some things have to be judgment rated, he declared. Inland marine particularly needs the sort of treatment which the surety companies are asking in the casualty draft bill. Aviation insurance provides many peculiar difficulties.

Mr. Berry said the National Board will be glad to confer with the American Mutual Alliance and commissioners on the problem. He said there is little to object to in the bill that Mr. Gruhn had presented except that the stock companies have to have latitude in deviations, based on solvency, so as to meet policyholder dividend competition. He said he objected to the American Mutual Alliance bill including ocean marine and he said that Mr. Gruhn's bill actually provided no treatment for inland marine except to say that it is brought under the bill. He said that he didn't approve of the deviation section in the Gruhn bill because it would permit a company to file a deviation, get a risk and then withdraw the deviation. He said the National Board is not irreconcilably apart. But it is opposed to ill advised legislation that is fostered by enemies of state regulation.

Harrington asked about the bill that has been introduced in behalf of the stock companies in California.

Mr. Berry replied that this bill was drawn by the Pacific Board. It was not seen by the National Board before it was introduced. The California bill goes into a wealth of detail which, he said, should be avoided. It provides for a mandatory checking office whereas Mr. Berry said he would prefer a permissive setup.

Mr. Ensor said that commissioners are confronted with a practical situation. The legislatures are meeting and action must be taken.

Mr. Berry replied that the National Board will assist any commissioner that desires to introduce a bill. For instance, in North Carolina, the National Board worked over the bill that has been introduced and took the position that if certain changes were made the National Board would not oppose the legislation.

President Newell Johnson at this point

fairly sputtered with indignation. He said that he impugns the good faith of the stock fire people. Attorney General Biddle states that all he wants is an evidence of good faith. Mr. Johnson said that he is working on rate legislation in Minnesota but "I won't submit my bill to you."

The job that the fire companies did with federal legislation, Mr. Johnson said, was "not so good."

Commissioner Neel of Pennsylvania here put in a good word for the fire companies, stating that he desired to commend their cooperation. He said he has nothing but commendation for their attitude.

Mr. Gruhn said the American Mutual Alliance will cooperate in any joint effort. The mutual fire rating bill, he said, follows what 30 states have in effect for fire insurance. The Pacific Board bill, he declared, represents a wide field of difference and "we'll fight to the death many of the provisions" of that legislation. If the mutuals are met with bills to regulate policyholder dividends, he declared, participating companies will "raise collateral issues that will make agreement impossible." It will raise such issues as regulation of dividends to stockholders, regulation of agents' commissions, the question of over capitalization, the question of whether surpluses should not be reviewed to determine whether they should not be returned to the public in some way. Such competitive questions, he stated, he wants to avoid. Stock fire people, he declared, are largely to blame for the predicament of the business today and they should approach the problem in a "spirit of humility and concession" and show good faith so as to preserve what is left of state supervision.

White of Mississippi asked Mr. Gruhn whether he would determine agents' commissions nationally or by states. Mr. Gruhn replied simply, "I didn't say."

Harrington spoke a word in commendation of Mr. Berry but then proceeded to light into the stock companies in general. He stated that they have been violating the anti-trust laws of Massachusetts. Mr. Harrington said that he asked for an opinion on the bill that he felt compelled to introduce and has had a conference with the mutual people but none with the stock.

Mr. Forbes interjected the comment that he has found the National Board very cooperative.

#### Commends Berry and Griggs

McCormack commended Mr. Berry, E. M. Griggs, associate general counsel of the National Board, and the National Board itself, but he stated that he hasn't received the same cooperation from other parts of the stock fire insurance industry. He said that the business would be better off if "certain people" would keep out of the picture. Some people, he charged, are giving the "double cross" to their spokesmen.

Mr. Berry arose to say he was not aware of any lack of cooperation on the part of his principals. They are, he said, painfully aware of the seriousness of the problem.

At the open session on taxation, Chase Smith, general counsel Lumbermen's



Chase Smith

Mr. Smith took the position that insurance commissioners should not engage in reform movements in connection with the state tax structure. He contended that is unfair to the insurance companies that have supported the com-

Mutual Casualty, was asked to lead off. He observed that the industry in seconding the statement in the federal bill that taxation of insurance by the states is in the public interest, is essentially dishonest because the insurance companies for years have been arguing that it is wrong to impose a tax on thrift.

## careers for Women in the life insurance field

Today, more and more women are turning to life insurance selling as a new and interesting career. In selling its wide range of service to people, the life insurance industry offers women—

1. *The challenge of varied and unstereotyped activity free from deadly routine.*
2. *The opportunity to narrow the gap between their true ability and actual earnings.*
3. *The dignity of employment where value and appreciation increase with advancing years.*

A booklet describing the opportunities for women in life insurance selling entitled, "Is This for You?" has recently been issued to all Guardian Managers. It is one of the many sales and recruiting aids available at request through The Guardian's Women Section, directed by Beatrice Jones, C. L. U. of the Agency Department.

## THE GUARDIAN LIFE

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missioners federal program. The premium tax has been a windfall to the states and until something is known about what rules of law shall prevail a change in the laws is likely to jeopardize the tax. Mr. Smith expressed the belief that the present system of taxation will be upheld. Any deficiency that is found is more likely to be in connection with some angles that are not now anticipated. He said he defies anyone to guess what the U. S. Supreme Court will do.

He declared that Tennessee had just changed its tax laws so as to put a tax on the domestic as well as foreign companies but in doing so the language was changed so that it became a privilege tax. Some lawyers say that a privilege tax as contrasted with a transaction tax is unconstitutional. It is impossible to give a fool proof answer at this stage, he contended.

Scheufler asked whether exemptions of fraternal from the tax would be likely to jeopardize a tax structure.

Mr. Smith voiced the opinion that a state law passed pursuant to Congressional abdications of power will not be invalidated. The Supreme Court always finds some way to uphold state regulations. The Supreme Court has never been pained, he said, by inequities in taxation between insurance companies. It strives to uphold the right of the state to do something that is reasonable on the ground that the reasons are sufficient to the state.

#### Discrimination Not Handicap

It can't be proved that discriminatory taxes are a handicap to interstate commerce. Lumbermen's Mutual, for instance, he said, does not write all the business in its home state of Illinois but it does write plenty of business elsewhere.

The Supreme Court, he predicted, won't like to see as a result of its S.E.U.A. decision a tax placed upon small local companies. The situations state by state are complicated and weird and the answer won't be known until the Supreme Court gives the verdict, he said. The less fooling that is done with the tax structure the better the chances are. The chance of retaining a system is better if the system is kept as it was when the Supreme Court gave its decision and when Congress passed an insurance bill. He expressed the belief that the general question of premium taxes and regulatory laws are indivisible.

Mr. Scheufler asked what position the superintendent would be in if he suspends the license of a company, as he is required to do under the law, when that company refuses to pay a tax.

Mr. Smith replied that if the right to tax is sustainable, the act of the commissioner is correct, that he will be upheld in revocation of the license. These things, Mr. Smith said, can't be determined in advance. "You've got to try out what you've got," he said.

#### Retaliatory Laws

Mr. Forbes asked Mr. Smith his opinion as to retaliatory laws. The reply was that they have been upheld. He said he is not sure that the retaliatory laws should be repealed. The Supreme Court has rarely found any state law about anything to be invalid. It usually considers the facts in each case and ducks principles as long as it can.

Any lawyer at first blush, Mr. Smith said, would say that a discriminatory

tax is unconstitutional. Counsel of the Illinois companies have been conferring on the question and they intend to give the governor and the legislature as thorough an understanding as possible of what the situation is. He expressed the belief that if state regulation will stand up, taxation will stand up. He said he defies any state to pass another kind of law that will be as valid as the present one. It is easier to find ground for challenging a new law than an old one. If the McCarran-Ferguson bill is passed that will clinch it, Mr. Smith declared.

Preston Eastep, counsel for the Missouri department, asked why Mr. Smith felt that the privilege tax is more vulnerable than the transactions tax. Mr. Smith said that he had not thought the question through but that he had a hunch that the transactions tax is safer. However, he cautioned against giving the Supreme Court a set of laws that have not been in effect for a long time.

#### Cites Massachusetts Case

Harrington alluded to the Commonwealth Mutual Liability case in Massachusetts in which the state had collected a tax before the company failed. The court said it was a privilege tax and upheld the collection.

Mr. Smith whimsically declared that he believes more in prayer than in reading the law book. The Senate, in its debate on the McCarran-Ferguson bill, he said, showed the Senators were trying to perpetuate laws that are now in existence.

### TAG ON BUSINESS

Robert L. Hogg, manager American Life Convention, said that in the S.E.U.A. decision the Supreme Court has labeled the entire insurance business as interstate commerce. It is the first time the Supreme Court has given such a label to an entire business and he said it will be difficult to break the business down therefore into intrastate and interstate divisions when it comes to taxation.

Mr. Smith, again speaking with levity, said that the announcements of Justice Black in the S.E.U.A. case are not to be added to the Bible as Chapter X after Revelations, and there could very well be subsequent decisions that are at variance with words or sentences in the S.E.U.A. case.

#### Reviews Oklahoma Litigation

Fred Hansen, first assistant attorney general of Oklahoma, gave an interesting account of the litigation that has followed the increase in the Oklahoma premium tax on foreign insurers that was enacted April 21, 1941, to 4% from 2%. He recalled that Great Northern Life of Chicago fought the constitutionality of the law in federal court as violative of the 14th amendment. The case went up to the U. S. Supreme Court and the state won on a jurisdictional issue, the court holding that the case should have been brought in the state court. However, three justices, during the hearing, were very critical of Mr. Hansen's theories about the merits of the tax, he said.

Lincoln National Life brought an action in state court and the attorney general admitted Lincoln's right to sue. Lincoln National lost in the Oklahoma supreme court and has appealed to the U. S. Supreme Court. The commerce

clause was not originally involved but Lincoln National is going to attempt to rely on the commerce clause. Mr. Hansen said that he is going to try to keep the commerce issue out of the case. There are 16 other cases involved and there is \$300,000 tax money at stake.

#### Difficult to Separate

Mr. Hansen expressed the belief that insurance is interstate commerce and he said he sees difficulty in trying to separate it into its intrastate and interstate phases. The attorney general just recently recommended that the Oklahoma legislature pass a law applying the tax in the future on an equal basis. The attorney general believes that is the only safe course to pursue. If the tax is equalized as between domestic and foreign companies that will dispose of any challenge of it under the 14th amendment. However, that would not dispose of a challenge of the tax under the commerce clause. Mr. Hansen believes that it should be a transactions tax rather than a privilege tax—a transactions tax on insurance done on lives and property in Oklahoma.

The Oklahoma supreme court in the Lincoln National case held that the commissioner should not have collected the 4% rate for the entire year 1941 but only from April 21 to the end of the year.

Mr. Hogg asked whether the court did not say merely that the state legislature did not intend to make the 4% tax retroactive. Mr. Hansen agreed that it was simply a construction of the statute.

#### Distinction Is Pointed Out

Mr. Hansen pointed out that the circuit court of appeals in the Great Northern case held for the 4% tax being applicable throughout the entire year. In that respect it was more liberal than the Oklahoma supreme court.

Mr. Scheufler observed that various questions are likely to arise differently in different states.

Mr. Gruhn said that so far as American Mutual Alliance companies are concerned, they would stand to benefit from a program of tax equalization because these companies are foreign in more states than they are domestic. In changing the tax laws the rate of tax is likely to be reduced and hence this would be an advantage to foreign insurers. Nevertheless, he said, those companies do not take their individual position wholly into account. They feel that the attitude of the small local companies and their interests must be taken into account if that attitude is reasonable.

He urged against hasty and ill considered legislation.

The policy of the United States and the individual states, he declared, is to give preferential treatment to domestic industry. The small companies, he said, have natural disadvantages as compared with the big interstate operators and the discriminatory tax is not necessarily illegal.

#### Privilege Tax Language

A privilege tax might be questionable, he said, but the remedy is not necessarily absolute equalization. The solution might be to remove certain privilege tax language. He predicted that the small companies will not take it lying down.

In Indiana, Mr. Gruhn said, one of the big life companies went to the governor saying that it would not pay the tax under the present law and the governor told that company to draft a bill that would be acceptable. This company, according to Mr. Gruhn, put on pressure to pass legislation that it wanted. It changed the law throughout and made changes that affected other types of insurance besides life.

Mr. Gruhn said that his organization has under consideration sending a telegram to Attorney General Biddle asking for an investigation of alleged high pressure methods of big insurance companies threatening not to pay taxes, stampeding the legislatures. Such companies, he said, would benefit by a lowering of the taxes on foreign insurers.

He said that Biddle at the same time would be asked to give a legal statement on the effect of state premium taxes if the federal insurance bill should pass and also a statement on the effect if the bill does not pass.

Joseph Sullivan, American Mutual Liability, said the problem should be considered from a local standpoint. Equalization may be necessary but how far it should go is the question.

Harold Persons, assistant attorney general of Wisconsin, took an active part in the tax discussion.

#### Committee's Statement

At the final open session Saturday afternoon the executive committee made an official statement in which it was declared that the casualty rating bill represents a fine effort on the part of the companies and should prove a valuable basis for consideration. The statement alluded to the fact that the mutuals had filed a fire insurance rating bill and that the stock companies had declared they had devised a set of principles. On the question of taxation, the statement merely was that there was a great difference of opinion on the part of the experts.

There was no announcement made or any discussion at an open session regarding the annual meeting of the commissioners scheduled for St. Paul.

### CLOSED SESSION

At the first closed session, President Johnson and Commissioner Harrington, who have been in Washington in the interest of the federal insurance bill, gave a report on their operations.

Mr. Scheufler got off some pleasantries as presiding officer at the dinner. He referred to the "fast declining hours of my administration," alluding to the fact that he does not expect to be re-appointed commissioner at the end of his term in July. He referred to the St. Louis insurance company hosts and said that the Missouri insurance companies gave him no trouble, as they observe no rates, pay no taxes and are happily solvent. He introduced President Newell Johnson as the "distinguished federalizer."

The statement of principles as to rating legislation approved by the laws committee of the National Board is:

1. All classes of insurance which a fire insurance company is permitted to write with the exception of ocean marine should be included. (Proper definition of ocean marine important.)
2. Permission should be granted for more than one rating bureau and the licensing of bureaus, including the licensing of out-of-state bureaus.
3. Provision should be made for subscribers, in addition to members of a rating bureau.
4. Provision for rating method, schedules, etc., of a rating bureau before becoming effective to be submitted to and acted upon within 30 days, the rating method, schedule, etc., shall be deemed approved.
5. Establishment of a stamping office left with the discretion of the bureau, and provided in the constitution and by-laws of the bureau.
6. Deviation shall be by classes; must be approved by the commissioner after hearing and notice to the rating bureau; must be in effect for a period of one year.
7. Should contain a provision dealing with operations of pools or groups which maintain a particular inspection or engineering service, or other special service.
8. Should provide that rates shall be fair, adequate, reasonable and not unfairly discriminatory.
9. In adjustment of rates the commissioner shall give consideration to all reasonable and related factors both within and without the state, including conflagration and catastrophe hazard, if any, to past and prospective loss experience, the loss trend at the time the investigation as to the adjustment of rates is made, and in the case of fire insurance rates to the experience of the fire business during a period of not less than five years next preceding the year in which the review is made.
10. Provision for hearing and fact finding by the commissioner if a question of fact is involved, with proper court review of any order by the commissioner, which review shall be either a trial de novo, or trial which would permit the introduction of further evidence, and any penalty invoked must be for wilful violation only.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Julian Reviews Fire Record

CINCINNATI—The business is facing important changes in insurance laws, Roy Julian, manager Ohio Inspection Bureau, Columbus, told the Cincinnati Fire Underwriters Association. Since the Ohio bureau was established in 1917, the average fire rate for Ohio has been cut in half, he said. The average rate in 1917 was 90 cents and in 1943 it was 45 cents. "This is quite a record for business charged with maintaining a monopoly," Mr. Julian commented.

The bureau has lost many inspectors to the armed forces, to companies and to inspection services of the government. The normal force of 125 inspectors is now reduced to 55. The men from the bureau serving the army have attained ranks from lieutenants to lieutenant colonel, he said.

The sprinklered department has been hard hit through loss of engineers. This department has to make continuous inspections to see that present equipment is maintained and must also approve installations. The areas involved have been far beyond any figures imagined a few years ago. Inspectors in the bureau have spent some 1,500 man hours making reports for the government, Mr. Julian said.

#### Standing Committees Named

President Frederick Rauh announced standing committee members for the coming year. G. B. Maggini, secretary, Perkins & Geoghegan agency, is chairman of the educational committee; T. T. Bryant, Walter P. Dolle agency will head the actuarial committee. This committee contributes advice to the audit and rating bureaus regarding changes to be made. The program committee is headed by West Shell of A. W. Shell agency. Gustav May is chairman of the discussion or forum group committee. Mr. May has arranged a discussion group meeting for March 8 when "The Personal Property Floater vs. Resident Theft With Specific Insurance" will be the topic.

A. M. O'Connell, manager Eureka Security agency, will lead the discussion. Max Bernstein, Thomas Earls, William Herbert and Edward Russell will participate and answer questions.

### Beatrice, Neb., Loss Will Exceed \$500,000

The Beatrice Steel Tank Manufacturing Co. plant at Beatrice, Neb., was almost entirely destroyed by fire. Insurance on building and contents was \$500,000, and the estimate is almost total. There was \$125,000 use and occupancy on which no estimate has been made. The fire occurred at 5 p.m. The plant was engaged in war manufacturing.

#### Auxiliary Firemen Praised

WICHITA—Fire Chief Brown, who addressed the Wichita Association of Insurance Agents, paid tribute to the auxiliary firemen. At a recent downtown night fire, he said, 14 auxiliaries called at 2 a.m. responded, rendering valuable assistance. Special recognition was given Ross Little of the Fred Little agency, who is assistant chief of the auxiliary, working directly under Fire Chief Brown. Chief Brown also commended the accomplishments of the fire prevention committee of the chamber of commerce and urged more of the agents to serve actively on the committee.

### Wolf Is Elected Detroit President

DETROIT—R. W. Wolf, Raymond & Raymond, was named president of the Detroit Association of Insurance Agents by the new board of directors, succeeding B. A. Carse, Sibley agency. Mr. Wolf has been a director for three years and has served as treasurer for two terms.

F. C. Esper, A. J. Rohde agency, was named vice-president. He was elected a director in 1939 and served three terms as vice-president beginning in 1940. M. F. McCaffrey, Byrnes-McCaffrey, was named treasurer, and Elmer Salzman, secretary-manager since 1940, was re-named.

Committee chairmen are: F. C. Esper, automobile; D. T. Marantette, Detroit agency, Casualty; G. W. Carter, Detroit agency, conference; M. F. McCaffrey, finance; C. L. Nevens, General Underwriters, fire; J. A. Grow, Homer Warren & Co., fire prevention; G. E. Cruickshank, Cruickshank-DeCou & Suliburk, fidelity; M. F. McCaffrey, legislation; L. R. Hamann, Hamann agency, membership; H. T. Stock, A. J. Stock agency, insurance education; Elmer Salzman, publicity; Gordon Dougherty, inland marine.

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### Another Attempt to Wreck Minn. Qualification Setup

ST. PAUL, MINN.—Latest legislative move to wreck Commissioner Johnson's agents' qualification program is a bill by Senator Weber providing that the commissioner shall not require a person to take an examination in order to determine his competency or qualification. The bill further provides that each agent or solicitor before receiving a license shall file with the commissioner a surety bond in the amount of \$1,000 to protect both the state and the public.

Several other bills of interest to surety companies have been presented, one gives counties permission to pay premiums on bonds of county officers and employees. Another makes it mandatory that bonds covering justices of the peace be written in an authorized



R. W. Wolf

surety company. A third bill permits county boards in counties over 250,000 population to pay bond premiums on officers and employees and to designate the surety.

A bill has been introduced to amend Minnesota statutes of 1941 by striking out the words "or unless the matter misrepresented increases the risk of loss." As amended misrepresentation by an assured will void a policy only when made with intent to deceive or defraud.

### Detroit Dwellings Held Vastly Underinsured

DETROIT—A public warning that most dwellings in Detroit are vastly underinsured was issued by J. A. Grow, vice-president Homer Warren & Co. agency and past-president and fire prevention committee chairman of the Detroit Association of Insurance Agents. A majority of residential fire policies are issued for three years and most expiring now are reissues of 1942 policies which were in turn renewals of those issued in 1939.

Replacement cost of homes today is 36.8% greater than in 1939, so insurance values should be increased to maintain a similar level of insurance to value, he pointed out. This means, he said, that where values were not examined when policies were reissued in 1942, in excess of one-third of the value today is not covered. An owner who has not revised his policy since 1936 is up against a building cost rise of 55.3%, he declared.

### Agents Argue Against Self-Insurance at Omaha

The Omaha Association of Insurance Agents in a letter has urged the Douglas county commissioners not to adopt a policy of self-insurance for the county on its principal properties. The commissioners are considering establishment of a building fund on fireproof buildings to replace the present practice of insuring them.

#### Too Low to Build Reserve

The agents' association explained that the county's annual expenditure for fire, windstorm, explosion and riot insurance is \$1,065, which is too low to build up an adequate reserve on values in excess of \$1,600,000. At the rate the county now is paying, the possibility of loss is one to 1,500 and a catastrophe such as the court house riot of 1919, which necessitated a bond issue, would wipe out hundreds of years of contributions to a self-insurance fund, the agents point out.

### Indianapolis Freight House Burns; Loss \$400,000

The fire which practically destroyed the railroad freight house of the Big Four at Indianapolis will result in a loss to the insurers of between \$400,000 and \$500,000. The railroad carries its insurance in Railroad Insurance Association. The fire apparently started when a stove exploded in the agent's office. Six loaded cars were destroyed along with all the property in the freight house, of which there was a considerable amount. The fact that the bills of lading were burned in the fire and that the depot was at a distributing point where cars were unloaded and reloaded for redistribution complicates the adjustment problem.

### Kalamazoo Fire Will Cost Insurers \$350,000

The fire which gutted one building and seriously damaged another in downtown Kalamazoo, Mich., recently will result in a loss to the insurers of approximately \$350,000. The J. R. Jones Sons & Co.

department store had a \$100,000 limit of liability on merchandise and \$85,000 use and occupancy, under both of which losses the estimate is heavy. The George Taylor store had \$21,000 insurance on stock and fixtures, estimated 75%, and \$44,000 on contents, estimated total. The Edward Taylor mercantile building carried \$30,000 insurance, estimated at 25%. The Molly Mack-First National Bank building was insured for \$40,000 and the estimate is total. The Consolidated Retail Stores had \$65,000 on merchandise, estimated total, and \$50,000 use and occupancy, estimated total.

### Underwriters Adjusting Has Two New Managers

Underwriters Adjusting has shifted J. M. Updegraff, manager at Kokomo, Ind., for the past several years, to the Louisville office as manager. He succeeds C. O. Terry, who has resigned. G. E. Otte, adjuster at Cleveland, goes to Kokomo as manager. Mr. Otte has been in the adjusting field for some years.

#### Provide for Fire Departments

INDIANAPOLIS—The Indiana house has passed a bill providing that a township advisory board may increase the township property levy outside an incorporated city or town to defray costs of purchasing and operating a fire department within the township separate from the incorporated city or town.

#### Consider School Self-Insurance

The Youngstown, O., board of education is considering a self-insurance plan for the school system. Officials valued the buildings at \$8,306,587 and contents \$444,278. Insurance men have placed a value of \$7,772,100 on buildings and \$166,050 on contents for new contracts. The board has carried no insurance on fireproof buildings, and partial insurance on other buildings, with valuation of \$531,400 in all. Local agents there recommend that \$1,422,000 insurance be carried on buildings and contents. School officials recommend a replacement fund of about \$167,000 to take care of losses.

#### Kansas Directory Issued

Evan H. Browne, Jr., secretary of the Kansas Association of Insurance Agents, has issued a 14-page directory listing the membership, officers, directors, committee chairmen and sub-committeemen representing the eight zones of the state. The directory shows the membership spread over 132 towns and cities and 21 local boards, only one of which is inactive. The larger local boards are Wichita, 39 members; Kansas City, 37; Hutchinson, 21; Topeka, 20; Newton, 13; Dodge City, 11, and Emporia, 11. Eldorado has the youngest board.

#### Ohio Agents Hear Field Men

J. A. Neilan, Norwich Union, and Homer L. Rubrecht, St. Paul F. & M., addressed the Dayton Association of Insurance Agents on "Relative merits of the fire and extended coverage contract with the new outside theft policy vs. the personal property floater." The same subject was discussed in a Quiz Kid skit before the Trumbull County Association of Insurance Agents. Taking part were W. D. Allen, National; A. J. Danziger, U. S. Fire; A. O. Jensen, Hartford, and E. O. Pierce, St. Paul.

#### Sees Women's Place Secure

ST. PAUL—Mrs. Ada V. Doyle, president of the National Association of Insurance Women, has no doubts about the post-war place of women in business, she said in addressing a joint

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meeting of the St. Paul and Minneapolis associations.

"We need have no worries on the score of what will happen to us when the time comes," she said. "Our women have proven their efficiency, their dependability, their aptitude for assuming responsibility and their integrity."

## Small Loss Rider Bill

LANSING, MICH. — A Michigan house bill permits attachment of riders to fire or windstorm policies providing that such contracts involving mortgagee interests may provide for payment of small losses of \$100 or less only to the named insured, or mortgagor.

A senate bill would give the legislature right to review departmental rulings cleared through the attorney-general.

## Bulau Mishawaka Speaker

Alwin E. Bulau, Indiana state agent of Home, will address the South Bend-Mishawaka Association of Insurance Agents in Mishawaka Feb. 15 on "Early Fire Fighting and Fire Marks" and will show moving pictures relating to this subject. Mr. Bulau personally made a very valuable collection of these interesting historical relics, which now has been merged with that of Home at its home office.

## Michigan Mid-Year Cancelled

LANSING, MICH.—Waldo O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, announced that plans for its mid-year meeting have been cancelled in conformity with the government no-convention request. However, a special meeting of the executive committee will be held here March 16, augmented by presidents of the various local boards and chairmen of state association committees.

## Farewells in Wichita Agency

WICHITA—The men and women of Wheeler, Kelly, Hagney held separate parties, honoring associates leaving for other fields. The women held a breakfast for Alberta Hoff, who resigned to go into training in St. Anthony Hospital, Denver, and the men gave a "stag" for Tom E. Welsh, assistant secretary, who has associated with the Dyke interests at Little Rock.

## Ohio Bureau Reratings

The Ohio Inspection Bureau in the past year has rated 121 towns and townships in Ohio. Most of the towns were of 6,000 or less. The largest city rerated was Warren, 45,000 population, which was changed from fifth to fourth class. The bureau is now putting the finishing touches on Westerville and Miamisburg.

## Peoria Board Elects Williams

The new officers of the Peoria Board of Fire & Casualty Underwriters elected at the annual meeting are John B. Williams, president; Walter W. Muller, vice-president; Carlton M. Hogan, secretary-treasurer, and Charles F. Cremer, corresponding secretary.

## Hear Johnson on Legislation

MINNEAPOLIS—Legislative issues, both state and national, now confronting the insurance industry will be reviewed by Commissioner Johnson Feb. 19 before a joint meeting of the Insurance Club of Minneapolis and the Blue Goose.

## Two Midwest Lumber Losses

The Propst Lumber Co. at Paris, Ill., burned with a total loss to the \$45,000 insurance on building and contents. The VonTobel Lumber Co. at Francisville, Ind., burned with a loss to the insurer of \$27,000 under total insurance of \$52,000.

## Fire Prevention Is Buyers' Topic

MINNEAPOLIS — "The Insurance Buyer's Interest in Fire Prevention and Control" will be the topic discussed at

the Feb. 16 dinner meeting of the Insurance Buyers Association of Minnesota. P. L. Bachman of the insurance department of General Mills will be the speaker, with a discussion to follow.

## New St. Louis Building Code

ST. LOUIS—An ordinance providing for a complete revision of the city building code has been adopted by the board of aldermen. The general effect of the new code will be to permit the freer use of new construction materials which should reduce the overall cost of construction without decreasing the safety for the public.

## NEWS BRIEFS

John M. Harrison, resident vice-president of Marsh & McLennan in Minneapolis, has been elected an honorary director of the Hennepin county Red Cross in recognition of seven years service as its chairman.

After seven weeks of serious illness at the Wesley Memorial Hospital in Chicago, D. Sherman Ellison, South Bend local agent, has completely recovered and has returned to his office.

An Ohio house bill permits townships to issue bonds for the purchase of fire equipment. Another measure permits the state fire marshal to make regulations governing the transportation of flammable liquids.

John H. Burns, Jr., head of the Harris, Burns & Co. agency and a former president of the Wichita Association of Insurance Agents, was installed as president of the Wichita Chamber of Commerce at its annual meeting. Robert S. Brewer of Wheeler, Kelly, Hagney is a director.

W. H. Moore, owner of the Central Kansas Adjustment at Wichita and former executive secretary of the National Association Independent Insurance Adjusters, is recuperating in St. Joseph Hospital there from a minor operation.

Governor Blue of Iowa has appointed Ewald Trost, Fort Dodge local agent active in Izaak Walton League affairs, as a member of the state conservation commission.

E. K. Cunningham, Berlin, Wis., local agent, is observing his 50th anniversary in the business.

Raymond L. Mann of Dulany, Johnston & Priest addressed the Commuters Club in Wichita on "The History of Insurance."

The Insurance Women of Wichita are launching their last course of the N. A. I. A. 100-hour program on "Office Management," terminating a three-year program. Final discussion and examinations on the inland marine course were held this week with Walter W. Rowse, Western Adjustment, as discussion leader.

The Insurance Women of Columbus, O., are sponsoring the N. A. I. A. course in boiler and machinery insurance. The instructor is A. W. Hites, manager of General Accident. Classes are open to the public. Miss Ruth Phillips, Glens Falls Indemnity, is chairman of the educational committee.

Ella Beerkircher, General Casualty, was chairman for the February dinner meeting of the Insurance Women of Madison, Wis. John W. Clark, assistant agricultural agent for Dane county, discussed "How to Introduce a Speaker."

Lt. Adams, an army nurse from Winters General Hospital, who is back from service in New Guinea, spoke to the Insurance Women of Topeka on her experiences as an army nurse. James Quick, Aero Underwriters, Kansas City, spoke at the previous meeting on aviation insurance.

The dinner meeting of the Association of Insurance Women of Kansas City, Feb. 28 has been designated as "bosses night." H. Roe Bartle, executive of the Boy Scouts, will be the speaker.

## Report on War Risk Cover

General of Washington wrote \$155,113 in land war risk premiums in 1944 and First National, \$62,253. There were no losses.

Income Tax Records build good-will. Write National Underwriter for samples.

# SOUTH

## Two Florida General Agencies Combine

The general agency of Lippitt & Hull of 26 Wall street, Orlando, Fla., has been combined with Southern Underwriters of Miami. The new general agency of Walker & Lippitt will represent companies of the Home group, Royal-Liverpool group, Springfield group, and the Phoenix of London group, besides reinsurance connections.

Walker & Lippitt will be under the management of Francis J. Walker, formerly manager of Southern Underwriters, and will maintain head offices in the First Federal building in Miami, Fla.

A branch office will be maintained in the northern part of the state and will be under the management of Thomas D. Lippitt, who will also act as assistant manager of the new general agency of Walker & Lippitt. For the present this office will be at 26 Wall street, Orlando.

## Whisky Market Value and Selling Price Clause

LOUISVILLE—The Kentucky Inspection Bureau has advised agents of the adoption of a new clause to be known as the "Market Value and Selling Price Clause for Distilled Spirits" to harmonize with governmental OPA prices on distilled spirits which will make it no longer necessary to bring in the pro rata feature in establishing values of under aged whiskies in that the government today has definite ceilings on all ages.

## Organize New Prevention Board

NEW ORLEANS—The directors of the newly created New Orleans Fire Prevention Board has named Maurice J. Hartson, Jr., chairman, and Hughes P. Walmsley, secretary. Both are well known insurance men, Mr. Hartson representing the Louisiana Blue Goose and Mr. Walmsley, the New Orleans Insurance Exchange. Created by city ordinance for the elimination of fire hazards, the board has broad powers and the city has appropriated \$30,000 for its maintenance. A paid manager will be appointed and a number of inspectors employed.

## Regional Meeting at Vinita

A regional conference and executive committee meeting of the Oklahoma Association of Insurance Agents at Vinita brought out an attendance of 30. The program included talks by Fred Daniel of Tulsa on public relations; James Wheelchel, Tulsa, on new policy forms and Dave McKown, Oklahoma City, chairman legislative committee, who reported on an agency qualification measure which the association hopes to have introduced in the current legislation.

## Ponca City Agency Sold

The Lewis McCoy agency of Ponca City, Okla., has been sold to A. W. Fanning, formerly with HOLC and other government agencies in Dallas. He had previously been president of the A. & M. College at Goodwell, Okla. Miss Jennie Mills, who has been managing the agency, will continue with the office.

## Requires Gas Truck Licenses

T. J. Ellis, Oklahoma fire marshal, has issued an order that all trucks hauling butane or propane gas over state highways, shall have certificates issued by his office, showing that they have been inspected and are meeting certain standards and regulations to eliminate fire and explosion.

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## EASTERN STATES ACTIVITIES

### Bielaski Slated at Pittsburgh

A. Bruce Bielaski, assistant general manager of the National Board and chief of its arson bureau, will address the meeting of the Smoke & Cinder Club at Pittsburgh next Monday evening, Feb. 19. President Edward A. Logue will preside and John M. Thomas, president of National Union Fire and president of the National Board, will introduce Mr. Bielaski.



A. B. Bielaski

Henry O. Evans of the Western Pennsylvania Historical Society will tell the plans for the 100th anniversary on April 10 of the great fire of Pittsburgh.

### Set Insurance Society Banquet at Philadelphia

At the annual banquet of the Insurance Society of Philadelphia Feb. 19, Harold V. Smith, president of Home, will be toastmaster and Maj. Gen. Stephen G. Henry, assistant chief of staff of the army, will speak on "The Returning Soldier."

George Rowland of Wagner-Taylor Co., banquet committee chairman, has

appointed the following subcommittee chairmen: Reception, Howard W. Newman, Jr., Indemnity of North America; tickets and seating, Henry C. Preston; entertainment, James W. O'Brien, Maryland Casualty, and decorations, Walter A. Munns.

### N. E. Associations Board Meets

The advisory board of the New England Associations of Insurance Agents at a meeting in Boston decided to take no further action on plans for the annual meeting at Poland Spring, Me., this summer. Henry E. Davis, Providence, chairman, presided. President Harold D. Barnes of the Massachusetts association reported that the board of governors of the group now is considering the formation of a permanent conference committee to pass on all questions relating to rates, rules and forms. State legislation necessary to avoid federal rule of insurance was discussed.

### Paterson Agents Elect

PATERSON, N. J.—The Insurance Agents Association of Paterson has elected Frank Hanson president; Charles Witman, vice-president, and George Clair, secretary-treasurer for his 41st term.

### Bank Program in Passaic

PASSAIC, N. J.—The Passaic County Association of Insurance Agents will hold its quarterly meeting here March 15 at which the program of contacting banks on financed automobiles will be outlined.

are very strongly opposed to any kind of rate war.

### Ontario Associations Elect

These local agents' associations in Ontario have elected new officers: Kitchener-Waterloo—President, Keith Staebler; secretary, Sam Oliver. Belleville—President, Carl D. Crosby; secretary-treasurer, C. W. Burr. Ottawa—President, Charles A. Patton; vice-presidents, George A. Perley and Percy R. Halpenny.

### North British Advances Campbell

A. Campbell, assistant manager of the North British group in Canada, has been promoted to deputy manager for Canada and Newfoundland. He has been with the group since 1920.

### Owner Covered for Loss in Chauffeur's Joyride

A new trial has been granted by the New York court of appeals to a motorist claiming recovery under the comprehensive automobile coverage for the wrecking of a car by the owner's chauffeur while on a joyriding expedition. The municipal court of New York had dismissed the complaint and that judgment had been upheld along the line until the New York court of appeals acted.

The owner was driven by a chauffeur

to Asbury Park, N. J., where he was to spend the night. Upon arrival the chauffeur was instructed to put the car in the garage. He said he had gotten a room about two miles away and asked permission to drive the automobile there, park it overnight in a parking lot. He was given such permission and warned not to go joyriding. The next morning the chauffeur was found in a lockup at Middletown and the automobile was in a gully about 20 miles away.

Standard of New York, the insurer, argued that the car was not stolen since it was merely taken unauthorizedly for a so-called joyride without intent to appropriate it permanently.

The court pointed out that the theft portion of the policy covered against larceny, robbery or pilferage and the average automobile owner knows that the taking of an automobile in a manner such as was done here constitutes a crime of larceny.

### Conclusions of the Court

"Insurance companies," the court stated, "properly seek as a service to the public, to increase the risk insured against so long as the policy purchaser will pay the rate required by insurance experience for the increased coverage. Here we find the use of the word comprehensive. The rate was fixed upon that basis and the insured paid it for the comprehensive coverage."

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## PACIFIC COAST AND MOUNTAIN

### Oppose Wash. Negligence Bill

SPOKANE, WASH. — Lester P. Edge, Spokane insurance attorney, speaking before the Spokane Insurance Association, pointed out that passage of Senate Bill 63 in the Washington legislature would substitute the rule of comparative negligence for the long-standing common law defense of contributory negligence. This change would precipitate much new litigation and would be reflected in increased automobile liability and property damage rates. The association adopted a resolution against the bill and forwarded it to the Spokane delegation at Olympia.

L. M. Arbon stated that the county commissioners were considering appointment of a committee of local agents to look after the county's insurance. The association offered the commissioners its services.

### Start Bank Finance Program

SEATTLE—President E. L. Smythe of the King County Insurance Association

has appointed Byron B. Hillen, chairman of a special committee to begin plans immediately for an automobile finance program. The committee will work with local banks in perfecting plans for making finance facilities available through agents. The committee is also planning an advertising program in which all members of the association will participate.

### Santa Barbara Election Feb. 15

The Santa Barbara Insurance Agents Association is holding its annual meeting and banquet Feb. 15. Harold I. Callis is in charge of the program.

Philip G. Vickrey, auditor and office manager of Gulf in Los Angeles, has resigned to enter the local agency business.

The Insurance Women of Spokane, Wash., have reelected Ruth Kiff president and elected Bernice Costa treasurer. The other officers will be chosen March 6.

## IN THE CANADIAN FIELD

### Canadian Hail Insurers Elect Rankin President

At the annual meeting in Montreal the Canadian Hail Underwriters Association elected Robert Rankin of the Phoenix of Hartford group, Winnipeg, president; J. F. McQueen, Great American, Saskatoon, vice-president; Arthur S. Simpson, Regina, secretary, and Mr. Rankin, Mr. McQueen, F. L. Thornton, America Fore, Regina; G. A. Ewart, Rain & Hail Bureau, Regina; C. W. Bolton, Home, Winnipeg; T. A. Codere, St. Paul Fire & Marine, Winnipeg, and Robert F. Swaine, Norwich Union, Winnipeg, members of the executive committee. The general experience in Canada last year was unprofitable for the companies, it was reported.

### Endeavoring to Eliminate Competitive Practices

TORONTO—It is reported that progress is being made by the Dominion Board of Underwriters, the Independent Fire Insurance Conference and the All-Canada Insurance Federation in eliminating competitive practices which tend to confuse the public. A merger is not being considered, but there is much in common so tariff and non-tariff efforts, if consolidated, will tend to give the public better service. The move is also interpreted to mean that the tariffs and non-tariffs are of the joint opinion that premium rates should not be reduced or advanced until conditions warrant; which is a way of telling the agents that the two types of fire insurance organizations

## Landen and Findlay Are Promoted

H. J. Landen, superintendent of agencies, Boston, and G. E. Findlay, manager Canadian department, Montreal, were elected secretaries of Springfield F. & M. Sentinel, and New England Fire at the annual meeting. Michigan F. & M. will hold its meeting Feb. 19 at Detroit.

Mr. Landen started with Springfield in 1915 and became superintendent of agencies in 1942. He began as a file clerk, serving successively as an examiner for New England territory, special agent for Alabama and part of Florida 1925, assisting in supervision of agents in eastern Massachusetts and Rhode Island at Boston 1928, and senior field man there since 1937. He was in the navy during the former war.

After serving with Canadian armed forces in the former war, Mr. Findlay entered the Montreal office in 1919. He took a Canadian Fire Underwriters Association course in rating in the evening while gaining office experience. He subsequently acted as inspector in the field and in 1929 was appointed superintendent of agencies when the company opened its Canadian department. He became assistant manager in 1936 and manager in 1938, succeeding his father, the late W. E. Findlay.

## Duxbury New I.U.B. Chairman

NEW YORK—George H. Duxbury, Mercantile, has been elected chairman of the Interstate Underwriters Board. Vice-chairman is J. F. Crafts, Fireman's Fund; treasurer, Harold Conick, Royal-Liverpool; manager, J. R. Dumont.

## Two New Aetna Fire Group Assistant Secretaries

HARTFORD—E. Harvey Stover and Baxter Gentry, home office general agents, were appointed assistant secretaries of the fire companies of the Aetna Fire group at the annual meeting.

Mr. Stover, a general agent at Hartford since 1943, joined Aetna in 1926 as a map clerk in the southern department after graduation from Hampden-Sidney College. After receiving further training in W. R. Penrose & Co., Aetna Fire Hartford agency, he was transferred to Georgia as special agent in 1928, going to Richmond as special agent in 1933.

Mr. Gentry became a home office general agent in 1943, assisting in the supervision and development of inland marine, after serving in Fireman's Fund's New York marine office in the inland marine production department. He was educated at Emory University, Alabama Polytechnic and Woodrow Wilson College of Law following which he entered a Georgia local agency. Later, he served nearly 10 years in the southern department of Fireman's Fund before being transferred by that company to New York.

## May Use Adjusters on Philippine War Claims

(CONTINUED FROM PAGE 12)

WASHINGTON—Pending consideration in Congress of the Taft bill to extend war damage insurance to the Philippine Islands, officials of War Damage Corporation would not discuss the report that Fire Companies' Adjustment Bureau adjusters will be sent to the islands to adjust war damage claims.

The Taft bill was scheduled for hearing before the Senate committee on insular affairs Wednesday.

Officials said adjusters have not yet left for the Philippines. They were sent to Hawaii and Dutch Harbor, Alaska, to make adjustments.

The Taft bill to extend war damage

insurance to the Philippine Islands was referred on Wednesday to the joint Philippine-American rehabilitation commission by the Senate committee on insular affairs and territories after a hearing in which government departments concerned opposed it as inadequate. It was suggested that one agency handle all Philippine claims, relief and rehabilitation matters.

Witnesses included Howard Klossner and Clay Johnson, WDC vice-president. Letters were submitted from the war, navy, commerce and interior departments.

Senator Tydings, Maryland, chairman of the committee and the commission opposed the bill on the ground it would use insurance money paid by United States insurers for purposes not intended by the WDC law.

It was brought out WDC insurance covered many personal belongings the Taft bill would except from settlement of Philippine claims, therefore the latter would not do a complete job.

The committee was told war damage premium collections totalled \$234,000,000. WDC aggregate liability is about \$117 billion. Rates varied from 8 cents to 75 cents per \$100; claims paid \$332,000.

Senator Brooks, Illinois, discussed his bill to refund WDC premiums, which is before another committee.

Tydings said if the Taft bill were approved Filipino soldiers might seek inclusion under National Service Life insurance, though they have not been covered under it.

Just in case WDC might have been selected to do the Philippine job, as under the Taft bill, and in order not to be caught flat footed, it is understood, WDC had tentatively discussed with Fire Companies Adjustment Bureau the possibility of sending adjusters to the Philippines to adjust claims.

## Question Arises as to the Definition of a Vehicle

The Texas supreme court has reversed the decision of the Texas court of civil appeals in Davis vs. National Casualty. The suit was brought to recover the loss of a foot while insured was engaged in moving a drilling derrick from one location in an oil field to another over a highway. The derrick was being pulled along on rollers by a gasoline propelled tractor, and the insured's foot, in some manner, was caught under the roller and crushed to such an extent that it was necessary to amputate it. Recovery was sought under a clause insuring a pedestrian against injuries caused by a vehicle propelled by gasoline or other power.

The trial court found for the insured, but this judgment was reversed, the court of civil appeals holding that neither the derrick nor the roller under it was a vehicle and consequently that the insured was not struck by a vehicle within the meaning of the policy. Due to a conflict in decisions, jurisdiction was conferred upon the supreme court.

The higher court now holds that the word "vehicle" should be given an extended meaning. In this case, the tractor, the derrick and the rollers under the derrick, taken together, were an instrumentality assembled and used to transport the derrick from one place to another. The vehicle thus formed was propelled by the gasoline used in the tractor's motor. The rollers, although not attached to the derrick served the purpose of wheels and were the means of carrying the derrick. When a motor truck or tractor and a trailer are joined for the purpose of moving both over the highway they become in effect one motor vehicle, the higher court held.

## Bayless to Wis. Post; David Baldwin to Ind.

B. W. Bayless has resigned as Indi-



"I'M SORRY WE CAN'T HELP YOU. I WISH I COULD OFFER YOU SOME FORM OF BREACH OF PROMISE OR ALIMONY INSURANCE."

## Riding in Elevator as a Prank Is Deemed Negligence

The Louisiana court of appeals, first circuit, affirms the lower court in Howes vs. Wimberly et al. W. B. Howes, then 19 years of age, sustained severe personal injuries as a result of an accident occurring while he was riding in the elevator of the Auto Hotel in Baton Rouge. Suit was brought by the father against Wimberly, owner of the hotel, and against the Great American Indemnity which carried the liability insurance. The elevator was maintained for the exclusive use of employees. When the plaintiff and some friends went to the garage to pick up their automobile, the plaintiff began running the elevator up and down as a prank. Although ordered to stay out of the elevator, he continued to play around and on one trip the elevator continued to rise until it caught him between the roof and the elevator.

On appeal from a judgment for the defendants, the court declares that the evidence clearly showed that the elevator was safe and in good mechanical condition for the purpose intended and that the accident was caused solely by the gross negligence of the plaintiff.

## New S. C. Insurer

Blue Ridge Insurance Company, 340 Main street, Spartanburg, S. C., is now writing fire, automobile, tornado and windstorm insurance. Officers of the new company are F. W. Balton, president; Dr. W. F. Strait, F. H. Sikes, vice-presidents; D. S. Carpenter, secretary; E. C. Sparrow, treasurer, and C. W. Roberts, assistant secretary-treasurer.

ana state agent of Royal-Liverpool to join New York Underwriters as Wisconsin state agent.

Succeeding Mr. Bayless in Indiana is David Baldwin, who has been production engineer at Chicago.

Mr. Bayless succeeds Frederic W. Edler, who has been Wisconsin state agent of New York Underwriters, since 1916 and who has had more than 51 years service in the home office and field.

## Court Decided Case Where Injury Came from an Escalator

California district court of appeals, 2nd district, division three, affirmed in part and reversed in part the lower court in Katsoka, et al. vs. May Department Stores. The plaintiff, a boy four years of age, was injured when his fingers were caught in the comb plate of the escalator in the store. Goddard, the store manager, stopped the escalator and attempted to pull plaintiff's fingers out, but was unable to do so. Since it would have required a period of time for mechanics to arrive, Goddard reversed the escalator and the boy's hand came out at once. Two fingers were mangled and cut off so that only short stumps remained.

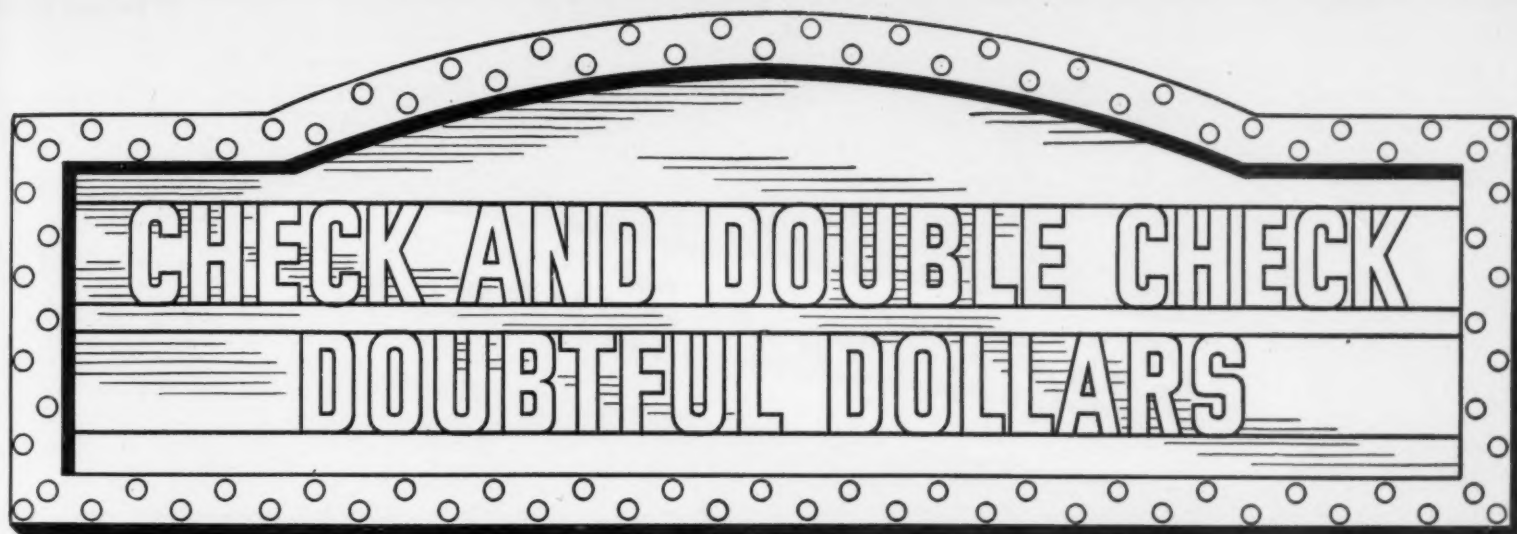
The court held that questions of fact arose for the jury, which should have been allowed to determine whether the escalator was of a class of objects naturally attractive to children, whether the store should, in the exercise of ordinary care, have known that it was of that class and anticipated accidents such as that which happened to the boy and if so whether ordinary care required the stationing of guards at the escalator or other precautions to prevent such accidents. Judgment in favor of the store was reversed and the cause remanded for a new trial. Judgment in favor of Goddard, the store manager, was affirmed, the court holding that his act in reversing the escalator in order to release the boy's hand was not negligent.

## Reelect Dooley as Chairman

NEW YORK—W. F. Dooley, Continental, chairman, and W. F. Reynolds, American Equitable, vice-chairman, were reelected following the annual meeting of the New York Fire Insurance Rating organization by the governing committee. New members of the governing committee are: J. A. Arnold, National Retailers Mutual, and A. C. Wallace, Agricultural.

W. M. Frink, Norwich Union, and A. R. Phillips, Great American, whose terms expired, were reelected.





## *Two Smash Hits*

Although introduced only a few weeks ago at special invitation showings before top government and banking officials in Washington and New York, requests are pouring in from all parts of the country for showings of the new full color Aetna educational motion pictures, "Check and Double Check" and "Doubtful Dollars."

From commercial and savings banks; from business firms, organizations and associations; from police departments, luncheon clubs, schools and colleges; from many other similar groups, requests for bookings are being received.

Produced in cooperation with the United States Secret Service, Treasury

Department, and the American Bankers Association, "Check and Double Check" portrays the methods used by check thieves and forgers and points out how to avoid check losses. "Doubtful Dollars" shows how passers of counterfeit money operate and how to guard against them. For use with the films, a special new booklet, "Is This John Doe?" is available.

For Aetna representatives, these two new educational films provide an excellent opening to new contacts and—with the many *other* Aetna Public Relations Aids available—afford another opportunity for them to render an important loss prevention service to their communities.

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